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REPORT ON THE 11TH UN/CEFACT PLENARY

ANNEX I

**3rd Executive Forum on Trade Facilitation
Paperless Trade in International Supply Chains:
Enhancing Efficiency and Security**

A Roadmap towards Paperless Trade

Preamble

With the importance of Information and Communications Technology (ICT) in today's world, international trade can derive enormous benefits from incorporating paperless trade into its supply chains. Paperless trade will increase security and transparency, and provide higher revenues both for Governments and for the private sector. Information will be more reliable and easier to process, and costs significantly reduced. There will be fewer delays along the supply chain, and less room for corruption.

Governments need to take a 'champion' role in initiating and establishing a healthy business environment for paperless trade. They need to provide high-level awareness events, set up "Single Window" projects in cooperation with the private sector, and create an enabling legal and regulatory environment. Although Governments have much to gain from implementing paperless trade, it is the traders who bear the larger share of the costs. In the successful transition from paper to paperless trade, the costs and benefits are internalised to reward traders for their migration efforts. Governments could, for instance, give preferential treatment to traders who submit electronic trading documents.

The costs involved in implementing and sustaining paperless trade are not easy to quantify¹. Reduction of transaction costs should be achieved through simplification of procedures and the use of international standards. Furthermore, it is important that the implementation costs are distributed among all the stakeholders. Developing countries will invariably face difficulties. Despite the drawbacks, they can still benefit by a reduction of their logistics costs and an improved efficiency of the private sector and government agencies.

Organizations such as those of the United Nations system, and other international or regional bodies, need to take an active role for paperless trade to become a reality. They can do this by providing a neutral platform, by defining targets, by promoting the use of global standards and best practices and by initiating and coordinating pathfinder projects². They must also ensure that trade procedures and documents are facilitated and simplified before automation is introduced.

All parties involved will gain significantly by the conversion from paper to paperless trade in international supply chains. The focus is on international and regional organizations and on Governments to ensure that an appropriate political, regulatory and business-accommodating environment is in place to ensure the successful implementation and sustainability of such an undertaking.

¹ For further information and studies on the measurement of transaction costs, refer to H. R. Coase - The Nature of the Firm, *Economica* 4 1937 and J. Wallis and D. North - Measuring the Transaction Sector in the American Economy, 1870-1970.

² At the centre of UN/CEFACT's strategy are three fundamental elements: Cross-sectoral analysis (to promote interoperability, reuse and supply chain synchronicity); Business process and information modelling (to capture user requirements, independent of any specific technology); and Mapping to new ICT technologies as they emerge.

I. Introduction

1. Since goods cannot move faster than the information that controls them, the efficient and secure exchange of trade information is a crucial component of international trade. Despite rapid developments in Information and Communications Technologies in recent decades, trade documents remain the core means of exchanging information in the international supply chain. Billions of documents are exchanged every year in international transactions, implying enormous costs for Governments and for international business³. These costs, as well as the complexity of international trade documents and procedures, are a burden on businesses, and a major disincentive to small firms for participating in international trade⁴.

2. But costs are not the only issue. Paper-based documents are increasingly less able to satisfy the needs of the international trade environment in terms of efficiency and security. The complexity of the modern supply chains, the number of parties involved, and the speed with which the goods are exchanged increase the requirements on trade information. In particular, in the aftermath of the September 11 terrorist attacks in the United States, Governments have been introducing security measures such as the Advance Cargo Information (ACI), the Container Security Initiative (CSI) or the Customs-Trade Partnership Against Terrorism (C-TPAT). These measures depend on reliable, structured and advance information on the trade transaction; information, which is then analyzed by automated risk assessment procedures.

3. Traditional information exchange through paper documents requires the physical exchange of documents, and repeated, manual data entry and validation procedures, incurring costs and delays and allowing the possibility of error. The new requirements for early information, information from the source and the need for automated analysis of large amounts of data represent a major challenge to this document-based system.

4. Countries and companies, therefore, are increasingly seeing paperless trade information exchange (i.e. exchange through dematerialized, structured trade documents, based on open and agreed standards, cross-sectoral analysis of business process and information modelling) as a means of enhancing their competitiveness, ensuring higher compliance with trade procedures and performing more efficient risk analysis. The advance exchange of information and the automated analysis of trade data enable Governments and enterprises to react faster to events and take appropriate measures to reduce costs and risks.

5. A number of high profile “paperless” trading projects are already under way, specifically in the Asia-Pacific region. They are being initiated and lead by Governments and regional and cross-regional initiatives such as the European Union, Asia Pacific Economic Cooperation, Asia-Europe-Meeting (ASEM), the Asia Europe Alliance for eCommerce (ASEAL) and the Association of Southeast Asian Nations (ASEAN). The transition to a paperless supply chain has already begun and appears to be a dynamic and diverse process. However, global implementation needs to be accelerated.

³ The 2005 Executive Forum “Paperless Trade in International Supply Chains: Enhancing Efficiency and Security” provided an opportunity to discuss the costs of paper-based trade to both government and private sector. Presentations are available at: <http://www.unece.org/forums/forum05/presentations/presentations.htm>. “According to data provided by IATA: 30 USD paper processing cost per airway bill; 35 mio airway bills p.a. 1 Billion USD cost p.a.

⁴ “Paperless trade: Benefits to APEC”, 2001, p.18.

6. The Third International Forum on Trade Facilitation – “Paperless Trade in International Supply Chains: Enhancing Efficiency and Security” discussed and reviewed the draft roadmap to paperless trade, assessed the current state of implementation of paperless trade around the world, sought to help define the consensus among all parties on what is required to make it happen; took stock of the experience and lessons learned; and identified steps that Governments and business might take in order to advance to paperless trade. The results of these discussions are presented in this document, which sets out a list of the key issues and offers recommendations and policy-oriented suggestions regarding the elements needed to move towards the new system.

II. Transition to paperless trade: Key characteristics, and steps required for implementation

7. The key characteristics of the transition to the global paperless trade system include:

- Benefits
- Costs
- Policy and strategic considerations

8. This list has been compiled on the basis of the expertise and experience accumulated from numerous policy discussions and capacity-building activities of the regional commissions of the United Nations, the UN/CEFACT and various other organizations within and without the United Nations system.

A. Benefits - for Governments and the private sector

9. Paperless trade offers substantial benefits to both Governments and the private sector, as well as to transition and developing economies⁵:

1) For Governments paperless trade is an important instrument to increase security, development and revenues from international trade

10. It increases the security of trade operations by providing electronic data, which are more structured, more reliable and easier to use for target consignment such as automated risk analysis. Administrative costs are lower and less revenue is lost through fraud and non-compliance. Paperless trade allows Governments to reduce delays and costs at the border, and increase their services for trade. It is a driver for the modernization of administrations and promotes the adoption of eBusiness in the national economy.

2) For the private sector paperless trade can greatly increase efficiency of supply chains and provide new value-added services

11. Paperless trade eliminates the operational costs related to manual paper processing, increases the transparency of the supply chain and the exchange of information. It improves trade and finance processes, establishes collaborative processes, favours the use of common standards and helps integrate supply-chain processes and their automation. It also reduces the need for repeated data entry and reduces errors and delays. Moreover, it allows companies to develop

⁵ An overview of the potential saving to business and to Governments can be found in the APEC study on paperless trade, “Paperless trade: Benefits to APEC”, 2001, pp.18-20. Recent figures and estimations, provided by the speakers at the 2005 Executive Forum “Paperless Trade in International Supply Chains: Enhancing Efficiency and Security”, can be consulted at: <http://www.unece.org/forums/forum05/presentations/presentations.htm>.

new, value-added services such as automated track and tracing systems, monitoring of document processing, security and non-repudiation. The national economy can increasingly compete on the level of services provided, not on costs.

3) For developing and transition economies paperless trade can provide specific benefits

12. Implementing paperless trade has the potential to benefit developing and transition economies through simplified and less costly trade procedures, increased transparency, higher compliance and higher governmental revenues. For instance, current estimates suggest that savings from paperless trade are highest for smaller shipments and for perishable goods⁶. Automation will significantly decrease discretionary subjective decisions; hence it will lower the scope of corruption. Some landlocked and other transition and developing economies will profit from the development of electronic corridors, where traders can send required information on a chain of border crossings well in advance for better and timely analysis by the relevant authorities.

B. Costs

13. Paperless trade related strategies should take into account the costs of such a transition, as well as the specificities of the distribution of these costs between parties in the international supply chain. As summarized below, the costs of implementing paperless trade are likely to be borne by traders and are likely to be higher, but not prohibitive, in transition and developing economies.

4) Companies will only adopt paperless trade if they see a clear net benefit

14. The benefits must outweigh the costs of change, the initial investment for participating in paperless trade⁷. For many companies, and for small and medium-sized enterprises in particular, paper is cheap and efficient and the net advantages might not outweigh the costs of changing. Companies therefore need to identify clear benefits before implementing new information exchange technology. Governments can offer support by rewarding traders who submit documents in electronic format as an incentive for increased efficiency. E-pioneers, meaning large companies and government organizations, can play an important role in encouraging SMEs to use e-documents.

5) Paperless trading has characteristics of a public good and its introduction is likely to imply external costs and benefits

15. As traders are the source of most documents used in international trade, they constitute the supply side for electronic documents, and bear a large share of the implementation costs (initial implementation costs and maintenance, promotion to induce customers to switch to paperless documents, etc.). At the same time, a number of the benefits of paperless trade fall to the administrations and business partners who receive the documents, benefits in the form of fast information exchange, efficient data entry and processing and increased security and compliance. From a market-driven perspective, as long as the issuer of the documents cannot profit from these benefits, it is unlikely that a company would invest in paperless trade. Therefore, market

⁶ "Paperless trade: Benefits to APEC", 2001, p.19

⁷ As noted by EUROPRO, "For the business community to engage with authorities, it has to receive incentives". Andrew Grainger, SITPRO, United Kingdom; A Paperless Trade and Customs Environment in Europe1: Turning Vision into Reality (June 2004), p.9.

mechanisms alone may not be enough to implement paperless trade on a global scale. The key stakeholders and beneficiaries must be ready to initiate, sustain and manage the transition from paper. Again, in view of these external costs and benefits, extra incentives could be provided for traders.

6) Paperless trade presents specific challenges for developing and transition economies⁸

16. Developing and transition economies face specific obstacles, such as a lack of adequate telecommunications infrastructure, resistance to change, lesser capacity for implementation, or a need for prior organizational and regulatory reform. However, as successful examples have shown, these obstacles need not prevent developing and transition economies from implementing paperless trade.

7) The implementation carries technological and market risks

17. Paperless trade projects require the integration of cross-sector business requirements and integration of different eBusiness technologies such as UN/EDIFACT, UNeDocs, Business modelling, UN/CEFACT Core Components, ebXML, RosettaNet⁹ and emerging technologies. While some of these standards are stable, others are based on complex eBusiness technologies that are constantly evolving. The project management requires user orientation, expertise in ICT and an understanding of eBusiness standards. Success of the project requires partners with relevant expertise. The project must recognize the unique needs of the national economy. Project management and stakeholders should accept and manage intermediate setbacks as natural components of complex projects.

C. Policy and strategic considerations

18. Transition to paperless trade is a long-term, dynamic process requiring active management and strong involvement of all stakeholders. The key features of the process, identified on the basis of experience can be summarized as follows:

8) Elimination of paper in the international supply chain is achievable but the transition needs to be managed¹⁰

19. The use of electronic trade documents is still confined to a specific geographic or functional context such as an automated customs declaration system or a national logistics platform, meaning that information exchange in the supply chain operates simultaneously on a dual system. As the migration process is user-driven and there are different levels of benefits and readiness for paperless trade, the dual system is likely to prevail for several decades¹¹.

⁸ For a background on developing countries' perspective on paperless trade, see Emmanuel Laryea, "E-Commerce in Trade: Some Solutions to the Particular Problems Facing Africa in the Digitisation of Trade Documentation", 16th BILETA Annual Conference, April 9th - 10th, 2001, University of Edinburgh, Scotland.

⁹ The UN/CEFACT strategy provides the flexibility to recognize and efficiently deal with both variations in business practices and implementation technology

¹⁰ Asia Pacific Economic Cooperation (APEC) Secretariat, "Sub-committee on Customs Procedures: Technical Assistance Program to Reduce the Requirements for Paper Documents Needed for Customs Administrations.", 2003, http://www.sccp.org/sccplibrary/meetings/Aug2003/4_1anx_03.htm, p.6.

¹¹ For instance, the APEC Paperless Trade initiative does not prevent economies from adopting a dual system of allowing the submission of trade-related documentation in electronic and paper-based form and recognizes that this capacity could be important where smaller enterprises in developing economies have limited access to the Internet and that economies may seek to retain certain paper-based trade documents for a limited number of strategic items. "Paperless trade: Benefits to APEC", 2001, p.6.

UN/CEFACT has adopted the United Nations electronic Trade Documents Project (UNeDocs) as a new, global standard for digital trade documents to open a migration path from paper-based information exchange to paperless trade.

9) Governments should take a leading role in initiating the transition to paperless trade

20. Paperless trade touches upon core issues for Governments - security, development, competitiveness, revenue, technology and international cooperation - provisions for which need to be made in their national budgets¹². High-level commitment is needed to ensure an appropriate legal and regulatory environment. This often requires revision of domestic legislation on issues such as signatures in electronic transactions, admissibility of electronic transactions as evidence in courts, the use of non-negotiable documents and recognition of digital certifications. In paperless trade, electronic documents have to be accepted by the various regulatory bodies such as Customs and sanitary and phyto-sanitary agencies, and the implementation activities in the administrations concerned have to be coordinated.

10) Successful implementation projects for paperless trade grow rapidly in scope and volume

21. Projects that successfully implement paperless trade tend to increase the number of transactions, subscribers, services offered and the number of business sectors and administrations involved. In the later stages of the project, the regional and international cooperation, harmonization of procedures and the exchange of trade information take on importance.

22. A model project lifecycle could include the following stages:

- Stage 1: Development of a paperless Customs declaration system
- Stage 2: Integration of other administration and regulatory bodies involved in export/import procedures
- Stage 3: Extension to serve the entire business communities (ports, airports)
- Stage 4: Integrated national logistic platform to manage import and export operations, interlinking the administrations, companies and the service sectors
- Stage 5: Integration of national logistic platforms into a regional system of information exchange

23. Consequently the project (stakeholders, infrastructure and standards) needs to be flexible in order to anticipate later expansion.

11) Facilitation and simplification of trade procedures and documents should take place prior to automation¹³.

24. Automating complicated trade procedures that are not aligned to international standards reduces the efficiency of using paperless technologies and impedes the transition to paperless trade. Complex paperwork is also an obstacle to the introduction of paperless trade at the regional level¹⁴. The implementation of paperless trade is not primarily a matter of technology. It

¹² Andrew Grainger, SITPRO, United Kingdom; "A Paperless Trade and Customs Environment in Europe1: Turning Vision into Reality"(June 2004), p.10.

¹³ "The Basic Guideline for Paperless Trade in ASEM", 2005, 2 drafted by the Republic of Korea, based on the results of its successful pilot project, insists on the necessity for standards in electronic documents and draws attention to the work of the UN/CEFACT in this area.

¹⁴ "Paperless trade: Benefits to APEC", 2001, p.5.

requires above all a review of business processes and a change that benefits all parties by enhancing the performance of the supply chain and the national competitiveness.

12) Paperless systems should be based on international standards, yet reflect regional specificities¹⁵.

25. The use of international standards leads to faster implementation, reduced transaction costs, favours the use of scalable, cost efficient solutions and reduces the risks. Standards provide the basis for interoperability, cross-border exchange of information and harmonization of procedures at the regional or global level. While standards for international trade must be global, the implementation of these standards must take into account regional, cultural and social characteristics. Therefore, regional organizations have a practical role to play.¹⁶ In the absence of regional and international coordination, incompatible solutions can prevent further expansion of paperless trade. Several regional organizations currently assist their member States in coordinating and facilitating the introduction of paperless trade in their regions (UN regional commissions, EU, APEC and ASEM, for example). They all stress the importance of using global trade standards.

III. Implications and policy recommendations for the transition to paperless trade

26. Identifying the key issues relating to paperless trade is a prerequisite to private and public strategies for its introduction. To facilitate policy making in this area, the table below suggests activities to support the transition. These suggestions are based on inputs received by the United Nations Economic Commission for Europe during capacity-building workshops on trade facilitation and eBusiness in different regions of the world, on policy documents by various regional paperless trade initiatives, and on presentations and interactive discussions at the 2005 Executive Forum “Paperless Trade in International Supply Chains: Enhancing Efficiency and Security”.

27. There was a general agreement among the Forum participants that this roadmap be based on a common understanding of the requirements for implementing paperless trade while allowing for different transition paths.

¹⁵ “The Basic Guideline for Paperless Trade in ASEM” emphasizes the importance of global and regional linkage in the technological infrastructure of Paperless Trade.

¹⁶ “The Establishment and Operation of an Electronic Single Window: Case Study of Guatemala”, Report by the UNCTAD secretariat, 2005, UNCTAD/SDTE/TLB/MISC/2004/5.

Key characteristics of Paperless Trade	Activities in support of the transition to paperless trade
A. Benefits – for Governments and the private sector	
<p>1) For Governments paperless trade is an important instrument to increase security, development and revenues from international trade.</p>	<p>a) Provide high-level awareness-raising events for administrations and policy makers on the contribution of paperless trade to security, development and revenue collection. b) Consider making the submission of electronic documents mandatory. c) Analyse and measure the impact of investments in paperless trade on national economy¹⁷. d) Use new technologies to meet both security and efficiency targets. e) Enhance good governance of the implementation by establishing shared ownership of the project by private and public stakeholders. f) Involve other governmental agencies, as well as customs, in the implementation. g) Government and trade should collaborate to develop Single Window systems that address both regulatory-requirement and business processes.</p>
<p>2) For the private sector paperless trade can greatly increase efficiency of supply chains and provide new value-added services</p>	<p>a) Involve the private sector, including trade associations, in the implementation strategies. b) The private sector should articulate their needs clearly and strongly to Governments in a coordinated manner. c) Top-level management of the private sector must fully support implementation. d) Maintain transparency and clear division of responsibility among all stakeholders (private and public). e) Identify and promote successful pilot projects by the private sector¹⁸. f) Create public-private enterprises, such as community service providers. g) Support the development of SMEs that can provide value-added services. h) Services for the private sector should be “designed by the trade for the trade”.</p>
<p>3) For developing and transition economies paperless trade can provide specific benefits</p>	<p>a) Organize exchange of experience and best practices among transition and developing economies using the UN/CEFACT platform. b) Enhance awareness about the importance and the benefits of trade facilitation and e-commerce and the use of best practices in the developing countries. c) Simplify existing trade documents, reduce number of required documents where possible and apply standards. d) Develop entrepreneurship through e-competence and transfer of knowledge¹⁹. e) Encourage the adoption of UNeDocs and UN/EDIFACT. a) Use paperless trade projects as a tool for regional development. b) Use paperless trade to reduce bureaucracy, introduce transparency and combat corruption.</p>

¹⁷ WSIS Thematic meeting, January 2005

¹⁸ “The Basic Guideline for Paperless Trade in ASEM”, 2005, 2.

¹⁹ WSIS Thematic component, January 2005.

B. Costs	
4) Companies will only adopt paperless trade if they see a clear net benefit.	<p>a) Focus implementation on areas where trade can achieve net benefits and where clearly favourable critical mass can be ensured.</p> <p>b) Compensate early implementers for their specific risks</p> <p>c) Consider that the reduction of delays, errors and risks is the major benefit of implementing paperless trade for companies.</p> <p>d) Reducing the access costs for paperless trade.</p> <p>e) Create incentives, such as reduced fees, reduced clearing times, facilitated and simplified procedures or preferred trader status, to provide clear benefits.</p> <p>f) Consider making submission of electronic documents mandatory.</p> <p>g) Adapt supply chain of SMEs to fit into the global supply chain.</p> <p>h) Use policies, standards and best practices to build managers' confidence and trust in paperless trade.</p>
5) Paperless trade has characteristics of a public good and its introduction is likely to imply external costs and benefits.	<p>a) Analyse and quantify the external costs and benefits of the transition to a paperless system.</p> <p>b) Use a holistic approach to analyse the bottlenecks in the supply chain.</p> <p>c) Take measures to internalize these effects, such as:</p> <p>d) Rewarding traders for electronic submission of documents through preferred processing;</p> <p>e) Supporting and funding projects for paperless trade;</p> <p>f) Providing specific measures to encourage participation of SMEs.</p> <p>g) Make information on costs and benefits widely available in a structured format.</p>
6) Paperless trade presents specific challenges (technological, financial and psychological) for developing and transition economies.	<p>a) Adapt targets and implementation strategies to the specific needs.</p> <p>b) Promote and implement international agreements, such as the 1994 Columbus Ministerial Declaration on Trade Efficiency, aimed at enhancing the participation of developing economies in international e-commerce.</p> <p>c) Use international standards, such as the revised Kyoto Convention and the WCO Harmonized Data Set to reduce costs and risks of implementation and enhance integration of national economies in world trade.</p> <p>d) Include a stipulated timeline in the implementation projects and monitor tightly.</p> <p>e) Develop flexible solutions for using paper and electronic documents, such as UNeDocs, that allow paced accession to paperless trade.</p> <p>f) Develop physical infrastructure, networks, information and skills in developing and transition economies.</p> <p>g) Address psychological and social needs of moving from a paper-based to a paperless environment.</p>
7) The implementation carries technological and market risks	<p>a) Provide a preliminary assessment of specific risks and costs of implementing paperless trade.</p> <p>b) Recognize the new challenges of paperless trade for data security, privacy and confidentiality. Data integrity and audit trails are essential.</p> <p>c) Use integrators and provide training to reduce technological risks.</p> <p>d) Identify pathfinder projects to reduce market risks.</p> <p>e) Reduce "bring-to-market" time to reduce market risks.</p> <p>f) Establish sustained government leadership to reduce market risks.</p> <p>g) Focus on the functionality (usability) of the solution and not the technology.</p>

C. Policy and strategic consideration	
<p>8) Elimination of paper in the international supply chain is achievable, but the transition needs to be managed.</p>	<p>a) Synchronize and manage the transition period so it is inclusive and can be accomplished within well-defined time limits.</p> <p>b) Take into account different levels of e-readiness in different sectors/industries.</p> <p>c) Define implementation strategies that permit use of both paper and electronic documents and consider incremental approaches.</p> <p>d) Encourage interoperability between the major supply economies and the consuming economies, in particular least developed or emerging economies.</p> <p>e) Adjust change management to its impact on the existing cultures, processes and power structures.</p> <p>f) Include continuous education and training as a core component in the implementation strategies.</p> <p>g) Apply standards that integrate paper and electronic document concepts, such as UNeDocs, and foresee fallback options to paper documents.</p> <p>h) Use pathfinder projects to assist the early adoption of paperless strategies.</p> <p>i) Analyse business processes to determine what documents need to be automated.</p> <p>j) Integrate payment systems in the holistic approach and encourage the Central banks and bank trade services to participate in international paperless supply chains.</p> <p>k) Promote the adoption of a trusted legal framework to support international paperless trade.</p> <p>l) Promote appropriate language as the official language for cross-border exchange of information.</p> <p>m) Encourage Governments to accept electronic certificates of origin and other documents that require official approval.</p> <p>n) Use the electronic signature for electronic documents only when necessary, in particular for security reasons.</p>
<p>9) Governments should take a leading role in initiating the transition to paperless trade.</p>	<p>a) Establish a national policy framework on paperless trade, which defines targets and implementation strategies and allocates resources.²⁰</p> <p>b) Consider using a legislative framework as catalysts for change, in particular in the tax field and administrative changes. Create the appropriate legal and regulatory environment for paperless trade, such as an electronic signature law, secure transactions laws, admissibility of electronic transactions as evidence in courts, recognition of certification authorities for electronic signatures, etc.</p> <p>c) Encourage the development and availability of low-cost software tools for use of electronic signatures or other security technologies.</p> <p>d) Coordinate between different governmental bodies to avoid duplication.</p> <p>e) Contribute to the initial funding of implementation projects and/or set up public-private partnerships as implementing agencies.</p> <p>f) Initiate pathfinder projects that make use of approved or emerging international standards.</p> <p>g) Create incentives for the private sector (as described in point 4).</p> <p>h) Create a healthy business environment to align ICT and business processes and implement best business practices²¹.</p>

²⁰ While providing a general framework for achieving paperless trade, regional and interregional organizations, such as APEC and ASEM, encourage their member States to draw up individual action plans for implementing paperless trade.

²¹ WSIS Thematic meeting, January 2005.

	<p>i) Use relevant international organizations to build capacity in developing and emerging economies.</p> <p>j) Initiate and launch pilot programmes and pilot testing to start trade between countries within international economic unions, such as APEC, ASEM, EU.</p>
10) Successful implementation projects for paperless trade grow rapidly in scope and volume.	<p>a) Define business models and organizational structures that adapt and grow to support the needs of large and small companies.</p> <p>b) “Eat the elephant piece by piece”: Start with simple low cost projects.</p> <p>c) Apply a long-term orientation when making strategic decisions.</p> <p>d) Integrate regional and international standards from the beginning.</p> <p>e) Identify the Governments and key stakeholders, who are involved in the next phase.</p> <p>f) Use knowledge codification methods for the transfer and the reusability of a supply chain process. Use the International Supply Chain reference Model to help understand business processes.</p> <p>g) Ensure that service providers of electronic documents act as neutral, trusted parties.</p>
11) Facilitation and simplification of trade procedures and documents should take place prior to automation.	<p>a) Analyse processes for simplification and harmonization.</p> <p>b) Promote and implement relevant regional and international recommendations and agreements that simplify trade and standardize trade, such as the Revised Kyoto convention or UN/CEFACT recommendations on trade facilitation.</p> <p>c) Design business models and innovation support systems.²²</p>
12) Paperless systems should be based on international standards, yet reflect regional specificities.	<p>a) Use relevant regional organizations to initiate a regional process for capacity building, exchange of experience and definition of targets.</p> <p>b) Governments should coordinate information requirements at the international level to make the supply chain efficient.</p> <p>c) Provide sustained regional involvement in the development of international standards.</p> <p>d) Develop harmonized standardized data, based on the UN/CEFACT framework, as a prerequisite for Single Window paperless environment.</p> <p>e) Create regional competence centres as incubators for implementation.</p> <p>f) Integrate ICT standards in national and multilateral trade policies.²³</p> <p>g) Use innovative logistic technologies and standardized interfaces.</p> <p>h) Explore cross-border synergies in the implementation of paperless trade.</p> <p>i) Support the development of common XML documents schemas.</p>

²² WSIS Thematic meeting, January 2005.

²³ WSIS Thematic meeting, January 2005.