

Leveraging digital trade in Pacific Island Countries: via a UN treaty on cross-border paperless trade

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UN Global Survey on Digital and Sustainable TF

General: WTO
TFA-related
measures

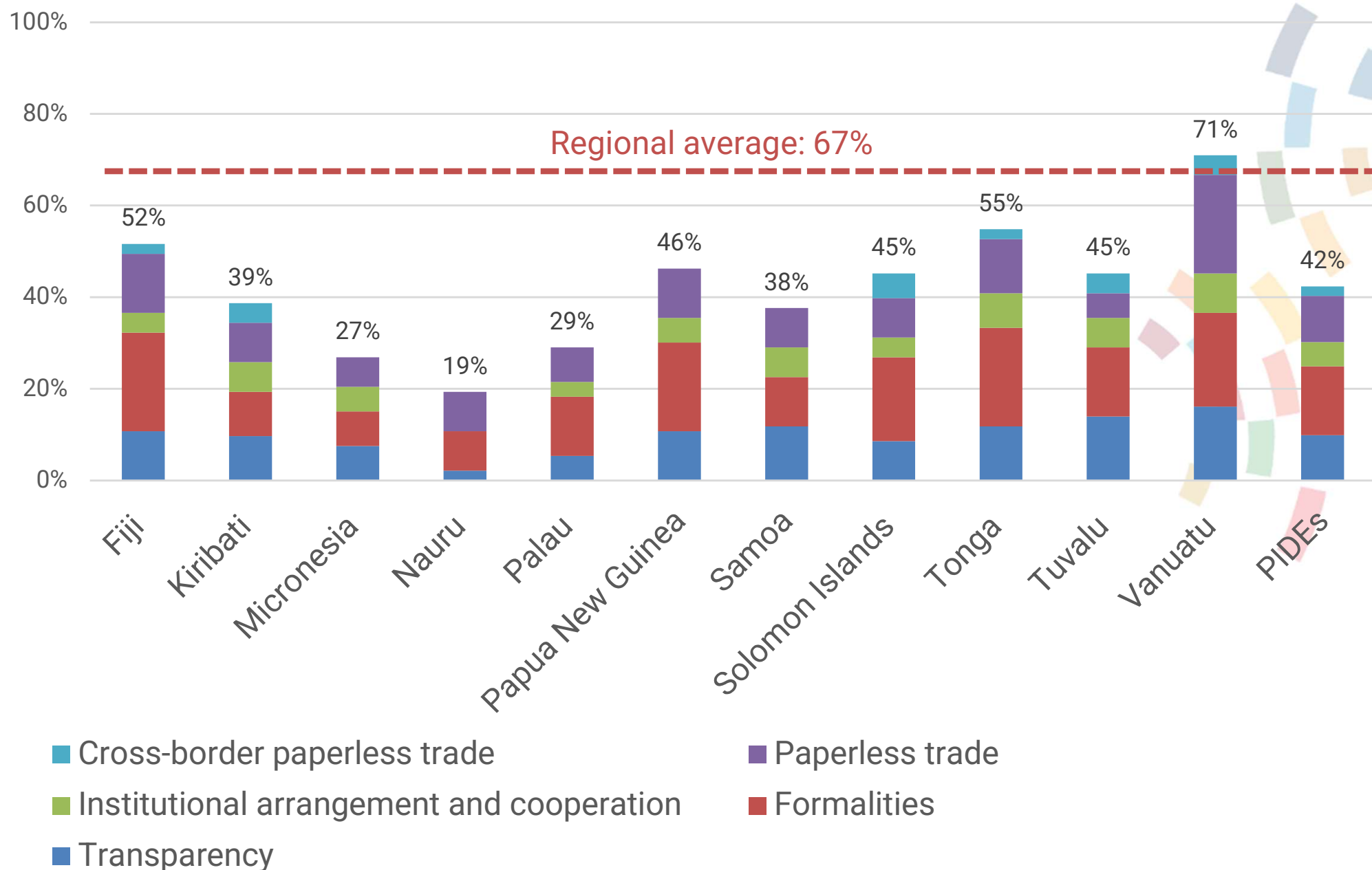
+ **Digital TF:** paperless
trade & cross-border
paperless trade

+ **Sustainable TF:**
SMEs, Agriculture,
and Women

+ **Other TF:** trade
finance, TF in times
of crisis

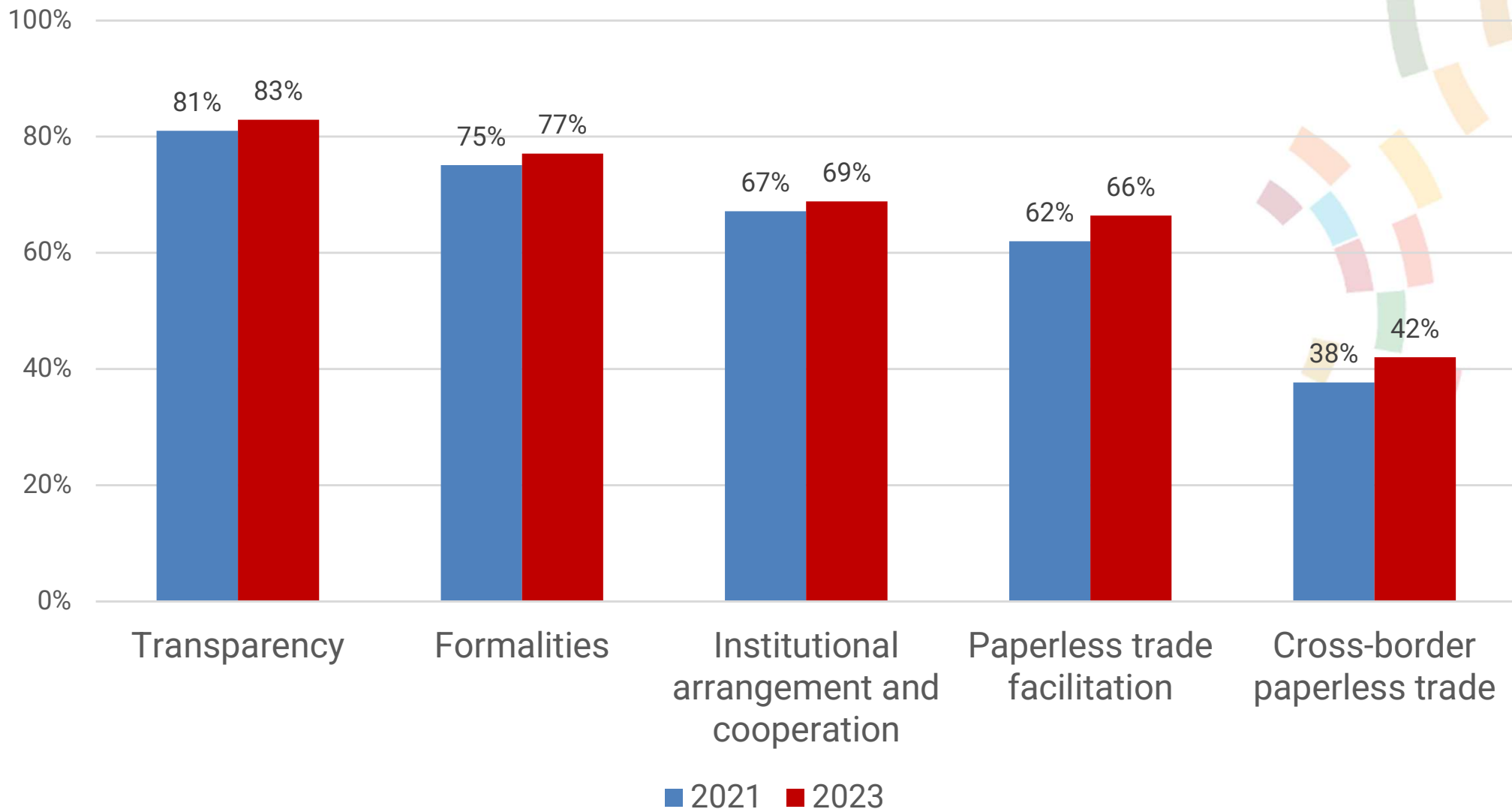
- » Monitor progress on trade facilitation (TF), including paperless trade and forward-looking measures towards sustainable development
- » Enable evidence-based policy-making, capacity building and tech assistance

Overall implementation of trade facilitation measures in PIDEs



Implementation improved overall but still digital TF measures implementation falling behind

Trade facilitation implementation in PIDEs between 2021 and 2023



Source: UN Global Survey on Digital and Sustainable Trade Facilitation, 2023. www.untfsurvey.org

Significant room to cut trade costs through trade digitalization

» Digital trade facilitation can reduce trade costs by over 25% in PIDEs

Expected trade cost reduction from alternative trade facilitation reforms



PIDEs: trade cost model	WTO TFA (binding only)		WTO TFA (binding + non-binding)		WTO TFA+ (binding + non-binding + other paperless and cross-border paperless trade)	
	Partially implemented	Fully implemented	Partially implemented	Fully implemented	Partially implemented	Fully implemented
Model 1						
Overall trade facilitation	-2.69%	-7.06%	-5.36%	-12.85%	-17.05%	-25.55%
Model 2						
General trade facilitation measures	-1.77%	-4.62%	-2.54%	-6.97%	-3.50%	-8.02%
Digital trade facilitation measures	-	-	-2.53%	-4.47%	-14.00%	-17.88%

Source: United Nations ESCAP, based on data from www.untfsurvey.org and ESCAP/World Bank Trade Cost database.

Supporting the Digital TF: Framework Agreement on Facilitation of Cross-Border Paperless Trade in Asia and the Pacific (CPTA)



A UN Treaty: enabling and action-oriented – open to interested (53) ESCAP member states to become parties

The Pacific Regional E-commerce Strategy and Roadmap endorsed by trade ministers aim to support 10 Pacific Island countries to join the Framework Agreement before 2026.

<https://www.unescap.org/kp/cpta>

Overview of CPTA Key Provisions

Article 1: Objective

The objective of the present Framework Agreement is **to promote cross-border paperless trade** by enabling the exchange and mutual recognition of trade-related data and documents in electronic form and facilitating interoperability among national and subregional single windows and/or other paperless trade systems, for the purpose of **making international trade transactions more efficient and transparent while improving regulatory compliance.**

Article 5:
General
Principles

Article 8:
Cross-
border
Mutual
Recognition

Article 11:
Institutional
Arrangemen
ts

Article 12:
Action Plan

Article 13:
Pilot
Projects
and
Sharing of
Lessons
Learned

Article 14:
Capacity
Building

CPTA Progress

Participant	Signature	Ratification, Acceptance(A), Approval(AA), Accession(a)
Armenia	22 Sep 2017	
Azerbaijan		2 Mar 2018 a
Bangladesh	29 Aug 2017	13 Oct 2020
Cambodia	29 Aug 2017	
China	29 Aug 2017	22 Nov 2020 AA
Iran (Islamic Republic of)	29 Sep 2017	29 May 2020
Kyrgyzstan		20 Dec 2023 a
Mongolia		27 Jul 2022 a
Philippines		23 Dec 2019 a
Republic of Korea		28 Nov 2022 a
Russian Federation		18 Aug 2023 a
Tajikistan		8 Dec 2022 a
Timor-Leste		5 Apr 2022 a
Turkmenistan		4 May 2022 a
Tuvalu		8 Dec 2022 a

CPTA: General Benefits

❑ **Region-wide multilateral intergovernmental platform**

Builds upon existing bilateral/sub regional initiatives; Supports WTO TFA implementation; Forster harmonization and minimize necessity for numerous bilateral/sub regional intergovernmental approach;

❑ **Strong capacity building programme**

Inclusive initiative, open to Asia-Pacific countries at all levels of development; Strong emphasis on knowledge sharing and CB/TA among parties

❑ **Pilot projects:** allow parties to adjust their systems before engaging in actual cross-border trade data exchange

❑ **Action Plan:** allow parties with different implementation level to set actions based on their respective readiness

❑ **Mutual recognition:** commit to the goal, while allowing flexibility in how to materialize the goal



CPTA: Contribution in the Context of WTO TFA Implementation

The CPTA complements WTO TFA and helps implementation of several provisions of the WTO TFA in an efficient and value-added manner with its ICT-based implementation approach (paperless trade).

WTO TFA Provisions supported by the CPTA

ARTICLE 1: PUBLICATION AND AVAILABILITY OF INFORMATION

ARTICLE 7: RELEASE AND CLEARANCE OF GOODS

ARTICLE 8: BORDER AGENCY COOPERATION

ARTICLE 10: FORMALITIES CONNECTED WITH IMPORTATION, EXPORTATION AND TRANSIT

ARTICLE 11: FREEDOM OF TRANSIT

ARTICLE 12: CUSTOMS COOPERATION



Procedure for Becoming a Party: Provision in the CPTA

Article 18: Procedure for signing and becoming a Party

1. The present Framework Agreement shall be open for signature by ESCAP member States at United Nations Headquarters in New York from 1 October 2016 to 30 September 2017.
2. ESCAP member States may become Parties to the present Framework Agreement by:
 - (a) Signature, followed by ratification, acceptance or approval; or
 - (b) Accession.
3. Ratification, acceptance, approval or accession shall be affected by the deposit of an instrument with the Secretary-General of the United Nations.

Selected FAQs

Q: Does my country need to fulfill technical and legal requirements to become a party to the Framework Agreement?

A: No. The Framework Agreement is designed to be an enabling treaty to support developing countries to plan and move towards cross-border paperless trade, and it does NOT involve changes in laws and regulations prior to accession.

Q: If my country becomes a party, does my country have to exchange electronic data and information with all other parties?

A: Not necessarily. The Framework Agreement is a "Framework", meaning it promotes general principles but does not contain detailed legal and technical specifications that Parties are obliged to adhere to. Following entry into force, Parties will together decide what priorities or tools they will work on to achieve the objectives set out in the Framework Agreement.

Support to join the CPTA

Accession/Ratification Accelerator Programme for the Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific

ANNOUNCEMENT

Bangkok - 18 Jan 2021

The Framework Agreement on Facilitation of Cross-Border Paperless in Asia and the Pacific entered into force on 20 February, with 5 ESCAP member States completing their domestic procedures for accession/ratification and becoming parties. Several other ESCAP member States are in the process of completing their domestic processes for accession. To maximize benefits and ensure inclusive implementation of this UN treaty, it is important that as many countries as possible can be parties to it and participate in the process of actual implementation upon its entry into force.

In that context, the ESCAP secretariat has launched an Accession/Ratification Accelerator Programme in August 2020 and has further extended it until December 2022. As part of the Programme, the following technical assistance and advisory services may be provided to developing country member States:

- Translation of the treaty text and other related support materials into domestic language (if required in the process of domestic ratification/accession process).
- Provision of a local/national expert to accelerate domestic accession/ratification process, including for:
 1. Preparation of documents in local language for interagency consultations and government approval of ratification/accession
 2. Organizing inter-agency consultations, including logistical arrangement.
 3. Other administrative support needed by the focal ministry/agency in completing domestic ratification/accession procedure.

Accelerator programme available
More details:
<https://www.unescap.org/kp/cpta>

THANK YOU



Framework Agreement on Cross-Border Paperless Trade



UN Global Survey on Digital and Sustainable Trade Facilitation



United Nations Network of Experts for Paperless Trade and Transport in Asia and the Pacific (UNNEX-T)



E-Learning Series on Business Process Analysis for Trade Facilitation



Cross-Border Paperless Trade Readiness Assessment



Regional Organizations Cooperation Mechanism for Trade Facilitation (ROC-TF)



<https://www.unescap.org/our-work/trade-investment-innovation/trade-facilitation-digital-trade>

