

Digital and Sustainable Trade Facilitation

in United Nations Special Programme for the Economies
of Central Asia (SPECA) 2021

Based on the United Nations Global Survey on Digital and Sustainable Trade Facilitation



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The report has been issued without formal editing.



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EXECUTIVE SUMMARY

Reducing trade costs is essential in enabling economies to participate in regional and global value chains effectively and continue using trade as an important engine of growth and sustainable development. The recent surge in shipping costs and the subsequent disruption of the international supply chain has put additional pressure on already high trade costs in Asia and the Pacific. Trade facilitation plays a significant role in avoiding unnecessary costs and enhancing efficiency through streamlined and digitalized trade. The World Trade Organization (WTO) Trade Facilitation Agreement (TFA) and regional trade digitalization initiatives such as the Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific (CPTA) provides guidance on measures that should be considered for implementation.

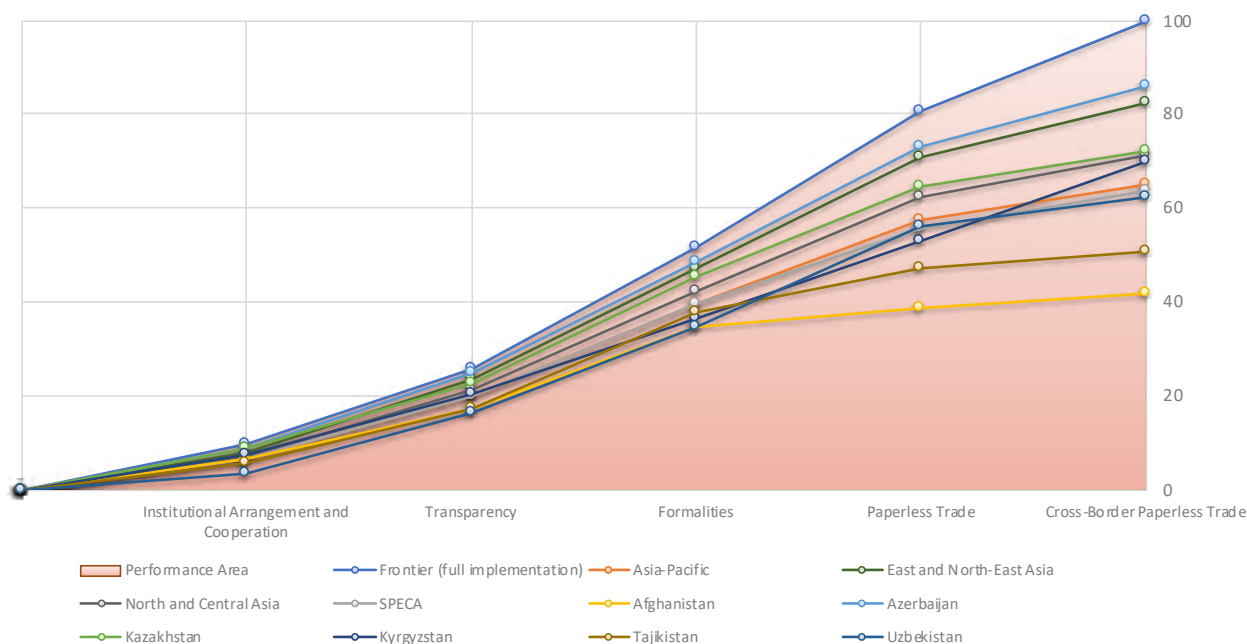
In this context, this report presents results of the 2021 United Nations Global Survey on Digital and Sustainable Trade Facilitation for six participants in United Nations Special Programme for the Economies of Central Asia (SPECA), namely Afghanistan, Azerbaijan, Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan, reviewing the progress of trade facilitation reforms and provides a detailed analysis based on 58 trade facilitation measures that are classified into four groups (“General Trade Facilitation”, “Digital Trade Facilitation”, “Sustainable Trade Facilitation” and “Other Trade Facilitation”) and a further 11 sub-groups covering both binding and non-binding WTO TFA measures, as well as measures beyond the scope of WTO TFA. The report reveals that:

- SPECA implementation rate of the trade facilitation measures stands at 63.8%, slightly lower than the regional average (64.9%). The implementation rate of trade facilitation and paper-less trade in SPECA countries comes after Australia and New Zealand, East and North-East Asia, South-East Asia, North and Central Asia and South and South-West Asia.
- Implementation in SPECA is quite heterogeneous. Azerbaijan achieved high levels of implementation, standing at 86%. The implementation rate of Kazakhstan and Kyrgyzstan achieve approximately 70%, higher than the sub-regional average. In contrast, Afghanistan stands at only 42%, followed by Tajikistan with an implementation rate of 51%.
- SPECA economies made the most progress in implementing ‘Cross-border Paperless Trade’ related measures between 2019 and 2021, standing at 44%, with a twenty percentage points increase. This reveals the active work in SPECA region over the past two years despite the COVID-19 pandemic and the subsequent supply chain disruptions. Afghanistan has made significant progress over the past two years, revealing a 27 percentage points increase. However, the implementation rate is still low at 42%.
- SPECA countries have implemented many of the WTO TFA related measures, in particular transparency and transit related measures. However, cross-border paperless trade implementation remains relatively low compared to the implementation levels of the other measures.
- Measures under the “Sustainable Trade Facilitation” category are least implemented, particularly those targeted at women and SMEs. For example, implementing measures to enhance gender balance in national trade facilitation face considerable challenges with average implementation rates of 55%, suggesting room for improvement. Implementation of SMEs in the AEO scheme stands at 53%.
- Data on the implementation of measures related to trade facilitation in times of crisis were collected for the first time this year and does not provide a complete picture. The implementation of this sub-group is 60%, higher than the regional average level. It suggests, however, a serious lack of awareness about the long-term strategies to deal with emergencies.

The analysis presented in this report, based on the latest data available, confirms that digital trade facilitation measures can result in significant benefits to the countries in the subregion. Full Implementation of binding and non-binding WTO TFA measures could decrease trade costs by more than 11%. On the other hand, digital trade facilitation measures enabling the seamless electronic exchange of trade data and documents across borders will help significantly reduce trade costs by more than 20% for SPECA in a full implementation scenario.

Moving forward, trade facilitation implementation may be seen as a step-by-step process, based on the groups of measures included in the survey i.e., enhancing the institutional arrangement; establishing transparency; implementing efficient trade formalities; development of paperless trade systems, followed by enabling trade data and documents within these systems, including national Single Windows, to be safely and securely used and reused by authorized stakeholders along the international supply chain (see figure). Especially in the case of paperless and cross-border paperless trade, countries need to work together to develop and implement the legal and technical protocols needed for the seamless exchange of regulatory and commercial data and documents within and between countries. In this regard, the Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific (CPTA) could support countries in gradually moving to “less-paper” and then to paperless and cross-border paperless trade by providing a dedicated, inclusive and capacity-building focused intergovernmental platform. Also, the SPECA Trade Facilitation Strategy and the Roadmap for its implementation could support countries in the SPECA region and its partners to simplify and harmonize international trade procedures and increase the efficiency of border crossing and other trade-related processes.

Figure. Moving up the trade facilitation ladder towards seamless international supply chains



Note: the figure shows cumulative trade facilitation implementation scores of Asia-Pacific sub-regions for 31 common trade facilitation measures included in the survey. Full implementation of all measures =100.

Source: UN Global Survey on Digital and Sustainable Trade Facilitation 2021, untfsurvey.org.

This SPECA report should be read in conjunction with the upcoming Global and Asia-Pacific report on the results of the UN Global Survey on Digital and Sustainable Trade Facilitation 2021, which will be available at <https://untfsurvey.org/>.

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ABBREVIATIONS

ADB	Asian Development Bank
AEO	Authorized Economic Operator
ASEAN	Association of Southeast Asian Nations
ASW	ASEAN Single Window
ECA	United Nations Economic Commission for Africa
ECE	United Nations Economic Commission for Europe
ECLAC	United Nations Economic Commission for Latin America and the Caribbean
ENEA	East and North-East Asia
ESCAP	United Nations Economic and Social Commission for Asia and the Pacific
ESCWA	United Nations Economic and Social Commission for Western Asia
ICT	Information and Communications Technology
ITC	International Trade Centre
LDC	Least Developed Country
LLDC	Landlocked Developing Country
NCA	North and Central Asia
NTFC	National Trade Facilitation Committee
OCO	Oceania Customs Organization
OECD	Organization for Economic Co-operation and Development
PIDE	Pacific Island Developing Economies
SAARC	South Asian Association for Regional Cooperation
SEA	South-East Asia
SIDS	Small Island Developing States
SPECA	United Nations Special Programme for the Economies of Central Asia
SSWA	South and South-West Asia
TFA	Trade Facilitation Agreement
UN/CEFACT	United Nations Centre for Trade Facilitation and Electronic Business
UNCTAD	United Nations Conference on Trade and Development
UNNEXt	United Nations Network of Experts for Paperless Trade and Transport for Asia and the Pacific
UNRC	United Nations Regional Commission
WTO	World Trade Organization





1

Introduction

1.1 Background and Objective

It is well understood that reducing trade costs is essential in enabling economies to effectively participate in regional and global value chains and continue to use trade as a main engine of growth and sustainable development. As shown in table 1, based on the latest data from the ESCAP-World Bank International Trade Cost Database, comprehensive non-tariff trade costs between the North and Central Asian economies are still significantly higher than the costs of trading goods among the three largest European Union economies (110% tariff-equivalent vs 41% tariff-equivalent) or those between China, the Republic of Korea and Japan (57% tariff-equivalent).

International costs of trading across borders are rising. Since 2020, the global supply chain has been disrupted, initially as a result of ad hoc border measures and the shutdown of production/logistic facilities owing to the covid-19 pandemic. International shipping costs have recently risen to the highest record and continue to rise, further disrupting the global supply chain as it deeply relies on sea freight transport. This recent phenomenon has put additional pressure

on already escalated trade costs.¹ However, trade facilitation, which aims at avoiding unnecessary costs by enhancing efficiency through streamlined and digitalized processes, can help bend the trend of increasing trade costs.

1. See articles from UNCTAD (2021) for more details at <https://unctad.org/news/shipping-during-covid-19-why-container-freight-rates-have-surged> and <https://unctad.org/news/how-cushion-consumers-high-maritime-freight-rates>

Table 1: Intra-and extra-regional comprehensive trade costs in the Asia-Pacific region

(Unit: Per cent)

Region	ASEAN-4	East Asia-3	North and Central Asia - 4	PIDEs-3	SAARC-4	AUS-NZL	EU-3
ASEAN-4	76.7%	79.4%	319.0%	308.5%	135.2%	103.3%	103.8%
	(3.9%)	(6.8%)	(-1.7%)	(-3.8%)	(5.1%)	(5.0%)	(-3.2%)
East Asia-3	79.4%	56.9%	168.2%	241.6%	125.4%	89.0%	85.2%
	(6.8%)	(9.8%)	(-3.6%)	(-14.0%)	(1.0%)	(2.1%)	(0.3%)
North and Central Asia - 4	319.0%	168.2%	110.6%	417.1%	268.7%	318.8%	148.2%
	(-1.7%)	(-3.6%)	(-8.6%)	(13.7%)	(-8.5%)	(-8.5%)	(-2.7%)
PIDEs-3	308.5%	241.6%	417.1%	117.9%	409.8%	117.3%	397.9%
	(-3.8%)	(-14.0%)	(13.7%)	(-12.6%)	(3.2%)	(1.3%)	(-3.0%)
SAARC-4	135.2%	125.4%	268.7%	409.8%	128.4%	138.0%	113.7%
	(5.1%)	(1.0%)	(-8.5%)	(3.2%)	(13.4%)	(0.2%)	(-0.5%)
AUS-NZL	103.3%	89.0%	318.8%	117.3%	138.0%	54.0%	105.8%
	(5.0%)	(2.1%)	(-8.5%)	(1.3%)	(0.2%)	(3.6%)	(-1.1%)
EU-3	103.8%	85.2%	148.2%	397.9%	113.7%	105.8%	41.4%
	(-3.2%)	(0.3%)	(-2.7%)	(-3.0%)	(-0.5%)	(-1.1%)	(-5.9%)
USA	86.6%	66.2%	190.5%	199.8%	114.2%	99.7%	66.7%
	(2.0%)	(5.4%)	(7.1%)	(-4.5%)	(3.6%)	(0.5%)	(0.1%)

Source: ESCAP-World Bank Trade Cost Database, updated July 2021. Available at <https://www.unescap.org/resources/escap-world-bank-trade-cost-database>

Note: Trade costs may be interpreted as tariff equivalents. Percentage changes in trade costs between 2014-2019 are in parentheses.

ASEAN-4 – Indonesia, Malaysia, the Philippines and Thailand; East Asia-3 – China, Japan and the Republic of Korea; South Asia-4 – Bangladesh, India, Pakistan and Sri Lanka; West Asia-3 – Jordan, Lebanon and Saudi Arabia; North America – Canada and the United States; European Union-3 – Germany, France and United Kingdom.

In general, many trade cost reductions have been achieved by eliminating or lowering tariffs over the past few decades.² Recent studies suggest that trade costs of non-tariff measures can be twice as much as that of ordinary customs tariffs.³ Further trade cost reductions, therefore, will have to come from tackling non-tariff sources of trade costs, such as inefficient transport, logistics infrastructure

and services, as well as cumbersome regulatory procedures and documentation. In this context, this report provides an overview of the results for countries of the United Nations Special Programme for the Economies of Central Asia (SPECA) of the 2021 United Nations Global Survey on Digital and Sustainable Trade Facilitation, conducted between January and July 2021. Also, potential impacts of implementing trade facilitation measures in SPECA are assessed based on a trade cost model.

2. For example, see ESCAP, 2011, Asia-Pacific Trade and Investment Report 2011, United Nations

3. See ESCAP, 2019, Asia-Pacific Trade and Investment Report 2019: Non-tariff Measures towards Sustainable Development, United Nations

1.2 Survey Instrument and Methodology

The 2021 survey builds upon the original instrument (formerly known as the Global Survey on Trade Facilitation and Paperless Trade Implementation), which was prepared according to the final list of commitments included in the WTO Trade Facilitation Agreement (TFA) and supplemented by forward-looking measures that are sought to be implemented under the United Nations treaty – the CPTA.⁴

The 2021 survey covers 58 trade facilitation measures that are commonly used by five United Nations Regional Commissions (UNRC). The 58 common measures are classified into four groups and 11 sub-groups (annex 1). The first group “General Trade Facilitation” includes many of the WTO TFA measures with sub-groups of ‘Transparency’, ‘Formalities’, and ‘Institutional Arrangement and Cooperation’, and ‘Transit Facilitation’. The second group, “Digital Trade Facilitation” measures, includes ‘Paperless Trade’ and ‘Cross-Border Paperless Trade’. The third group of “Sustainable Trade Facilitation” measures includes ‘Trade Facilitation for SMEs’, ‘Agricultural Trade Facilitation’ and ‘Women in Trade Facilitation’ sub-groups. In 2021, UNRCs introduced a new group of “Other Trade Facilitation” which comes with two sub-groups: ‘Trade Finance Facilitation’⁵ and ‘Trade Facilitation in Times of Crisis’. The overall scope of the survey goes beyond the measures included in the WTO TFA. Most paperless trade measures, particularly cross-border paperless trade, are not specifically featured in the WTO TFA, although their inclusion in many cases would support a better implementation of the TFA and in digital form. Most measures in the “Sustainable Trade Facilitation” group are also not specifically included in the WTO TFA, except for some of the ‘Agricultural Trade Facilitation’ measures. The “Other Trade

Facilitation” group is added with considerations of the role that trade finance plays to facilitate trade flows. In addition, addressing the challenges posed by the COVID-19 pandemic to the global trade and supply chain, ‘Trade Facilitation in Times of Crisis’ is introduced to the survey. This would support “build back better” sustainable and resilient recovery practices, which are required to avoid future systemic vulnerabilities.

ESCAP adopted a three-step approach to developing the dataset (annex 2). Data were collected between January and July 2021. Based on the data collected, each of the trade facilitation measures included in the survey was rated as “fully implemented”, “partially implemented”, “on a pilot basis” or “not implemented”. Definitions for each stage are provided in annex 3. A score (weight) of 3, 2, 1 and 0 was assigned to each of the four implementation stages in order to calculate implementation scores for individual measures across countries, regions or groupings. Country groupings used in the analysis are shown in figure 1.

4. More information on CPTA, available at <https://www.unescap.org/resources/framework-agreement-facilitation-cross-border-paperless-trade-asia-and-pacific>

5. Trade finance facilitation was an optional subgroup in the 2019 survey; three regional commissions – ESCAP, ESCWA and ECE – used this optional subgroup in their surveys. In 2021, this subgroup is developed in cooperation with the International Chamber of Commerce (ICC) and surveyed across all regions



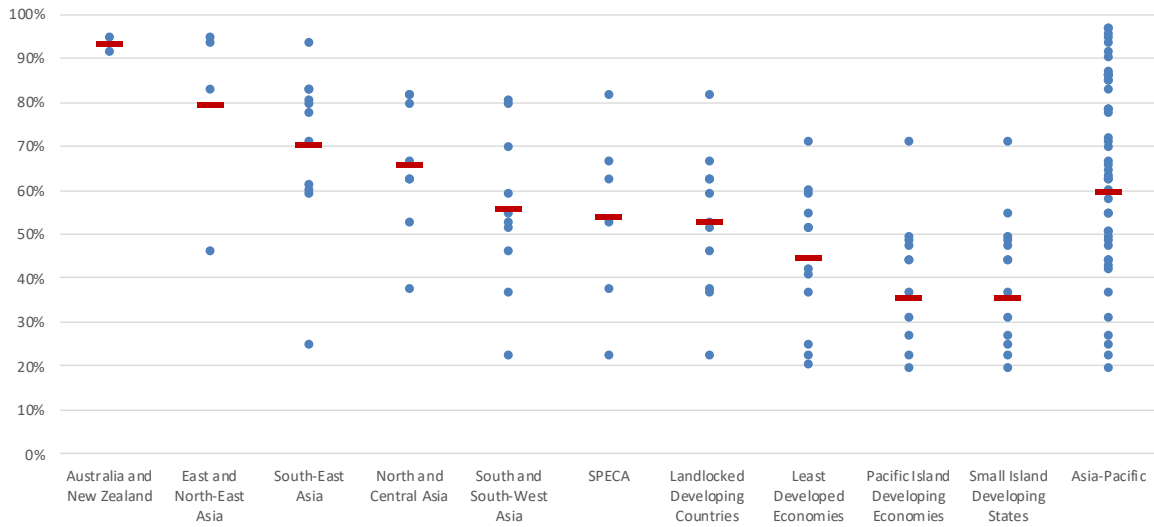
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Trade Facilitation Implementation: Overview

The UN Global Survey on Digital and Sustainable Trade Facilitation 2021 reveals that SPECA countries' average implementation of a common set of 31 trade facilitation and paperless trade measures stands at 63.8%, slightly lower than the Asia-Pacific regional average of 64.9% (figure 1).⁶

6. The survey questionnaire covers 58 trade facilitation measures which are categorized into eleven sub-groups, namely: Transparency, Formalities, Institutional cooperation and arrangement, Paperless trade, Cross-border paperless trade, Transit facilitation, Trade facilitation for SMEs, Trade facilitation and agricultural trade, Women and trade facilitation, Trade Finance Facilitation and Trade Facilitation in times of crisis and pandemic. The General trade facilitation measures and Transit facilitation measures are essentially measures featured in the WTO TFA. In contrast, most paperless trade and, in particular, cross-border paperless trade measures, are not specifically featured in the WTO TFA, although their implementation in many cases would support the better and digital implementation of the TFA. To better reflect trade facilitation in the context of SDGs, three sub-groups of trade facilitation measures including 'Trade facilitation for SMEs', 'Trade Facilitation for Agricultural Trade' and 'Women in trade facilitation' were also added to the Survey in 2019. The 2021 Survey added "Other Trade Facilitation" group with 'Trade Finance Facilitation' and 'Trade Facilitation in Times of Crisis'.

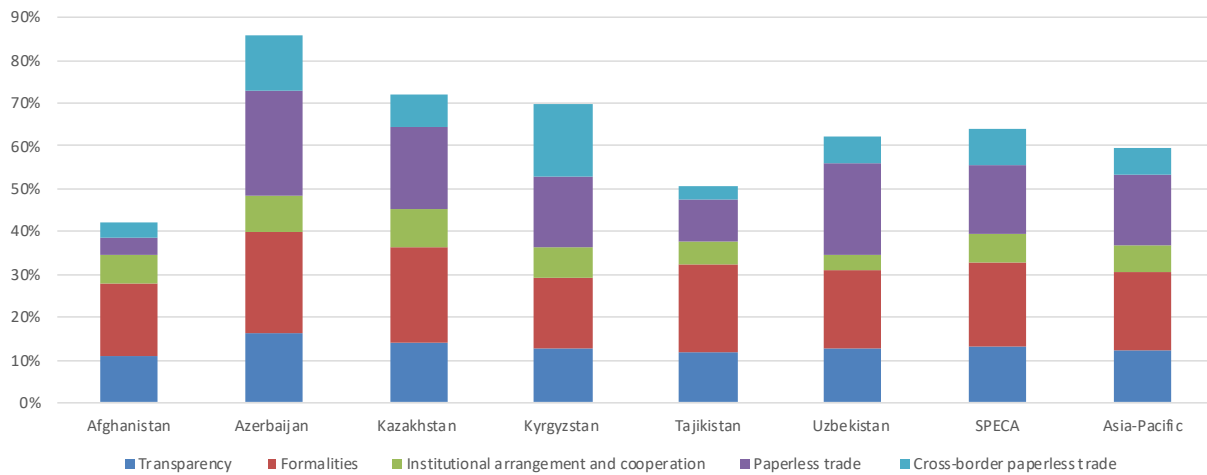
Figure 1. Trade facilitation implementation in Asia-Pacific subregions including SPECA



Source: UN Global Survey on Digital and Sustainable Trade Facilitation 2021, untdc.org.

Figure 2 reveals that the overall implementation levels are heterogeneous across countries. Azerbaijan has the highest implementation rate of over 80%. Compared to the regional average, Kazakhstan and Kyrgyzstan have reached a higher implementation rate, standing at 72% and 70%, respectively. In contrast, Afghanistan has the lowest Implementation rate, standing at only 42%, followed by Tajikistan, standing at 51%.

Figure 2. Overall implementation of trade facilitation measures in SPECA countries



Source: UN Global Survey on Digital and Sustainable Trade Facilitation 2021, untdc.org.

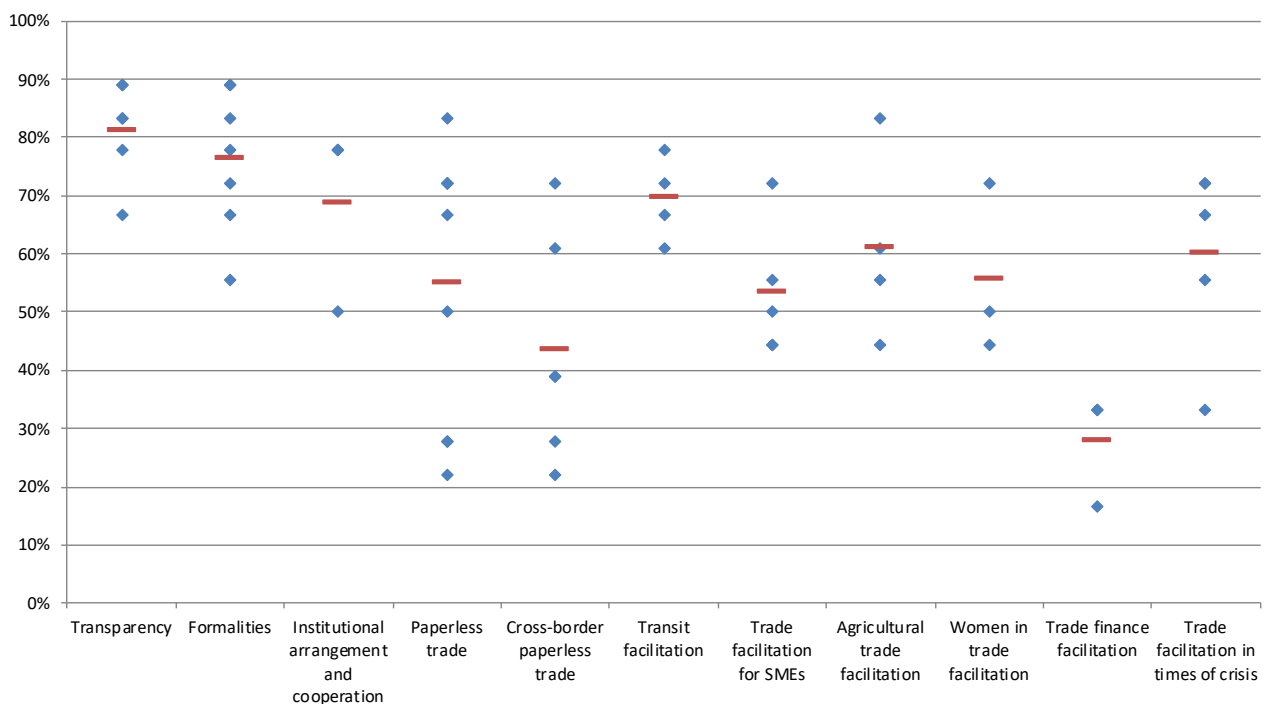
Note: Implementation rate based on a WTO TFA+ set of 31 trade facilitation and paperless trade measures from the UN Global Trade Facilitation Survey.

SPECA countries have implemented trade facilitation measures related to transparency to a large extent: implementation rates of all these measures are over 80%. Measures related to formalities also has a relatively high implementation rate, standing at over 70%. It is important to recognize the impressive progress on implementing cross-border paperless trade,⁷ which reveals the active work from SPECA over the past two years, a twenty percentage points increase since 2019 despite the COVID-19 pandemic and

the subsequent supply chain disruptions. For sustainable trade facilitation measures, especially 'Women in Trade Facilitation' stands only 55%. Measures related to trade finance facilitation have a low implementation rate, standing at 28%. The least implemented sub-group of measures related to trade finance facilitation, stand at 27.8% (figure 3).

7. Cross-border paperless trade means trade in goods, including their import, export, transit and related services, taking place on the basis of electronic communications, including exchange of trade-related data and documents in electronic form.

Figure 3. Implementation of different groups of trade facilitation measures by SPECA countries



Source: UN Global Survey on Digital and Sustainable Trade Facilitation 2021, untfsurvey.org.

2.1 Most and Least Implemented Trade Facilitation Measures

Table 2 provides information on the most and least implemented trade facilitation measures under each sub-group included in the survey. For example, 'advance publication/notification

of new trade-related regulations before their implementation' are the most implemented measures under 'Transparency'. 'Government agencies delegating border controls to customs authorities' is the least implemented measure in the 'Institutional arrangement and cooperation' sub-group.

Table 2. Most- and least-implemented measures in each group of trade facilitation measures by SPECA countries

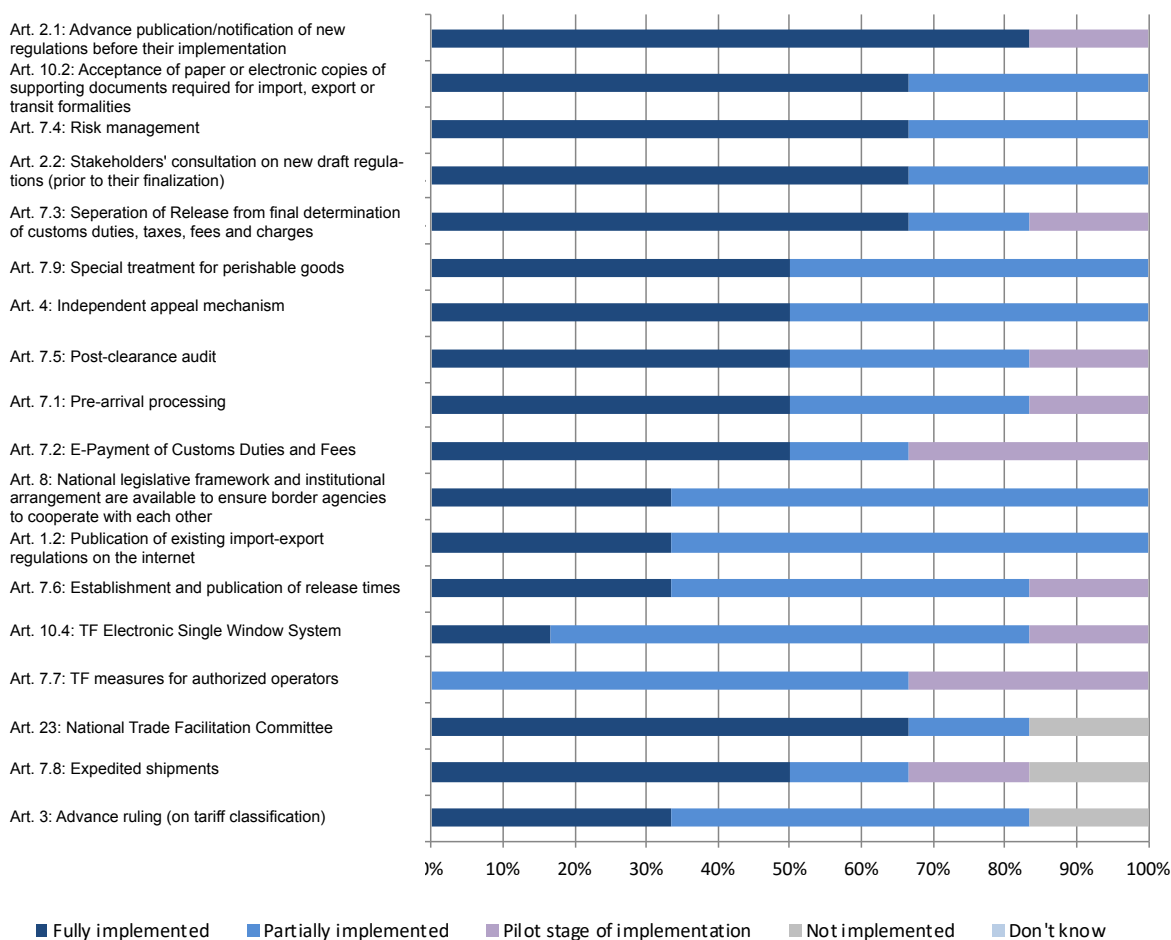
Sub-groups	Most implemented (% of countries)		Least implemented (% of countries)	
	Measure	Implemented fully, partially and on a pilot basis (%) / Full implementation (%)	Measure	Implemented fully, partially and on a pilot basis (%) / Full implementation (%)
Transparency	Advance publication/notification of new trade-related regulations before their implementation	100.0 / 83.3	Advance ruling on tariff classification and origin of imported goods	83.3 / 33.3
Formalities	Acceptance of copies of original supporting documents required for import, export or transit formalities	100.0 / 66.7	Expedited shipments	83.3 / 50.0
Institutional arrangement and cooperation	National legislative framework and/or institutional arrangements for border agencies cooperation	100.0 / 33.3	Government agencies delegating border controls to Customs authorities	66.7 / 16.7
Paperless trade	E-Payment of Customs Duties and Fees Electronic submission of Customs declarations	100.0 / 50.0	Electronic Application for Customs Refunds	33.3 / 0.0
Cross-border paperless trade	Electronic exchange of Customs Declaration	100.0 / 33.3	Electronic exchange of Sanitary & Phy-to-Sanitary Certificate	33.3 / 16.7
Transit facilitation	Cooperation between agencies of countries involved in transit	100.0 / 33.3	Transit facilitation agreement(s)	83.3 / 16.7
Trade facilitation for SMEs	Trade-related information measures for SMEs	100.0 / 33.3	SMEs in National Trade Facilitation Committee	66.7 / 16.7
Agricultural trade facilitation	Special treatment for perishable goods	100.0 / 50.0	Electronic application and issuance of SPS certificates	66.7 / 16.7
Women in trade facilitation	TF policy/strategy to increase women's participation in trade	100.0 / 33.3	Women membership in the National Trade Facilitation Committee or similar bodies	66.7 / 33.3
Trade finance facilitation	Variety of trade finance services available	50.0 / 16.7	Single window facilitates traders access to finance	16.7 / 16.7
Trade Facilitation in times of crisis	Coordination between countries on emergency TF measures	100.0 / 33.3	Additional trade facilitation measures to facilitate trade in times of emergencies	66.7 / 0.0

Source: UN Global Survey on Digital and Sustainable Trade Facilitation 2021, unfssurvey.org.

Figure 4 shows the level of implementation of measures directly related to the WTO-TFA requirements, based on data collected during the survey. The results are broadly consistent with the information provided by countries in official notifications to the WTO. The most implemented measure in SPECA countries is 'advance publication/notification of new regulations

before their implementation', which most SPECA countries have fully implemented. Even though 'advance ruling (on tariff classification)' is the least implemented measure, over 30% of countries in SPECA fully implemented with an additional 50% declaring that they have partially implemented.

Figure 4. Level of implementation of WTO TFA-related measures (excluding transit) by SPECA countries



Source: UN Global Survey on Digital and Sustainable Trade Facilitation 2021, untfsurvey.org.

2.2 Progress in Implementation between 2019-2021

There is significant progress in trade facilitation implementation in SPECA between 2019 and 2021. The average implementation rate increased

by approximately ten percentage points from 54% in 2019 to 64% in 2021. The highest progress is recorded in Kyrgyzstan, whose implementation rate increased by nearly 33 percentage points, from 37% in 2019 to 70% in 2021, followed by Afghanistan, from 15% in 2019 to 42% in 2021. (figure 5).

Figure 5. Trade facilitation implementation by SPECA countries between 2019 and 2021

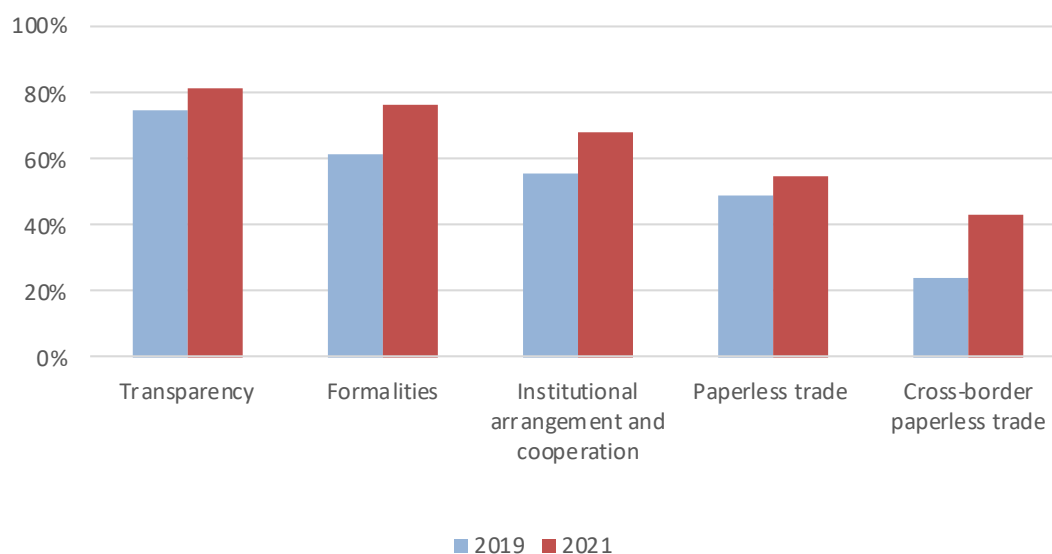


Source: UN Global Survey on Digital and Sustainable Trade Facilitation 2021, [untdc.org](https://untdc.org/untdc-survey).

The SPECA countries made the most progress in implementing 'Cross-border Paperless Trade' between 2019 and 2021, with implementation rates rising by approximately 20 percentage points. The implementation of 'Formalities' has also increased

14 percentage points from 62% in 2019 to 76% in 2021. In contrast, 'Paperless trade' only saw a 6 percentage points increase in the last two years. (figure 6).

Figure 6. Average implementation of different subgroups of trade facilitation measures by SPECA countries between 2019 and 2021



Source: UN Global Survey on Digital and Sustainable Trade Facilitation 2021, [untdc.org](https://untdc.org/untdc-survey).



3

Implementation of Trade Facilitation Measures: A Closer Look

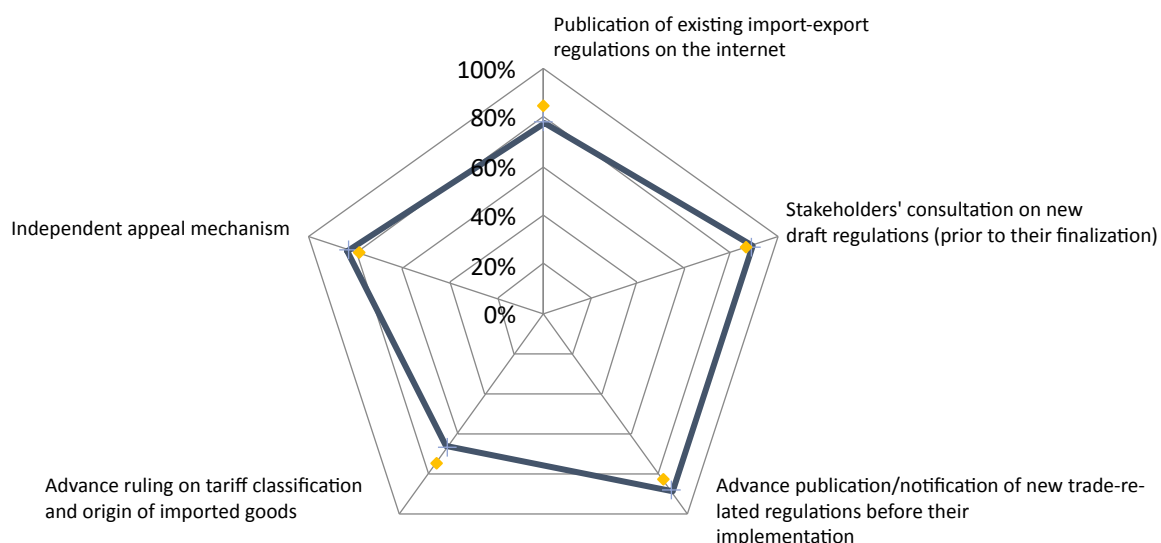
3.1 'Transparency'

'Transparency' includes five measures related to Articles 1-5 of the WTO TFA and GATT Article X on Publication and Administration of Trade Regulations. The average level of implementation of this sub-group by SPECA countries is at 81%, close to the Asia-Pacific average.

Figure 7 suggests the implementation of all 'Transparency' measures in SPECA is close to the regional average. Subregional implementation of 'stakeholders' consultation on new draft regulations (prior to their finalization)' and 'advance publication/ notification of new trade-related regulations before their implementation' both achieved 89%. As shown in figure 8, 'advance publication/ notification of new trade-related regulations before their implementation' is the most fully implemented measure, implemented by over 80%

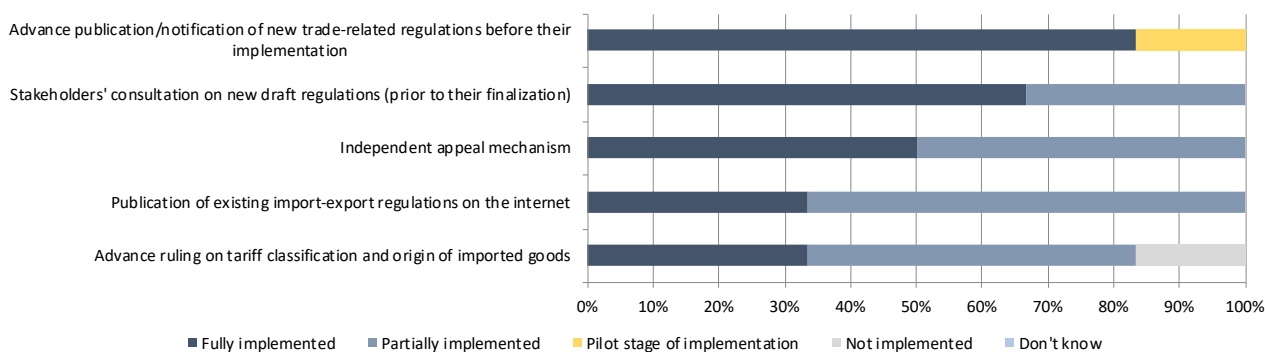
of the countries in this sub-region. 'Stakeholders' consultation on new draft regulations (prior to their finalization)', 'independent appeal mechanism' and 'advance publication/ notification of new trade-related regulations before their implementation' have been implemented by all SPECA countries at least on a partial basis. 'Advance ruling on tariff classification and origin of imported goods' has not been implemented in 15% of the countries, making it the least implemented measure in the sub-group.

Figure 7. State of implementation of 'Transparency' by SPECA and Asia-Pacific



Source: UN Global Survey on Digital and Sustainable Trade Facilitation 2021, untfsurvey.org.

Figure 8. State of implementation of 'Transparency' in SPECA



Source: UN Global Survey on Digital and Sustainable Trade Facilitation 2021, untfsurvey.org.

3.2 Formalities

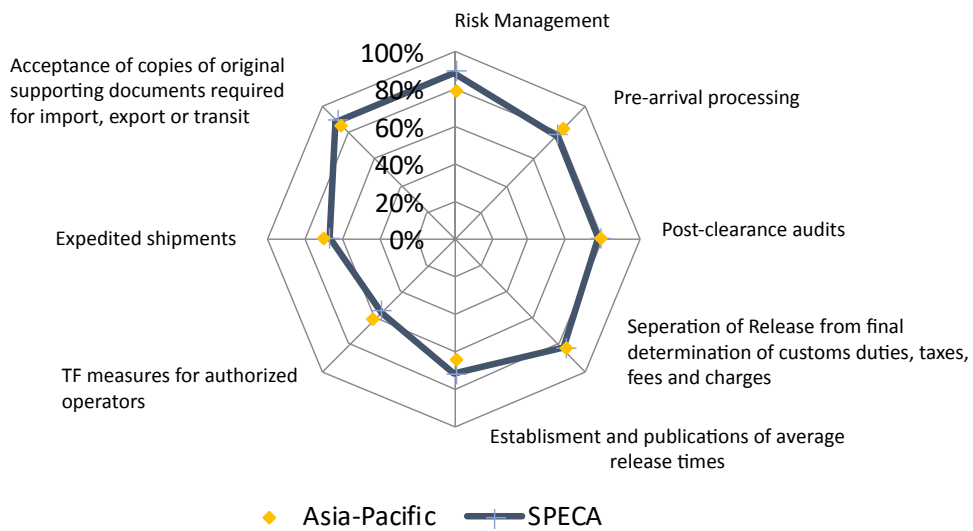
Eight of the general trade facilitation measures included in the survey are grouped as 'Formalities' sub-group related to streamlining trade procedures. They reflect the requirements of Articles 6-10 of the WTO TFA and GATT Article VIII on "Release and Clearance of Goods". The implementation levels of most of the measures in 'Formalities' are over 76% this year.

All 'Formalities' measures have been fully or partially implemented in over 60% of the countries. 'Acceptance of copies of original supporting documents required for import, export

or transit formalities' and 'risk management' are the measures with the highest implementation rates in the sub-region, both standing at 89%. The implementation rates for 'pre-arrival processing', 'post-clearance audits', 'separation of release from final determination of customs duties, taxes, fees and charges' and 'establishment and publication of average release times' have reached over 70% (figure 9).

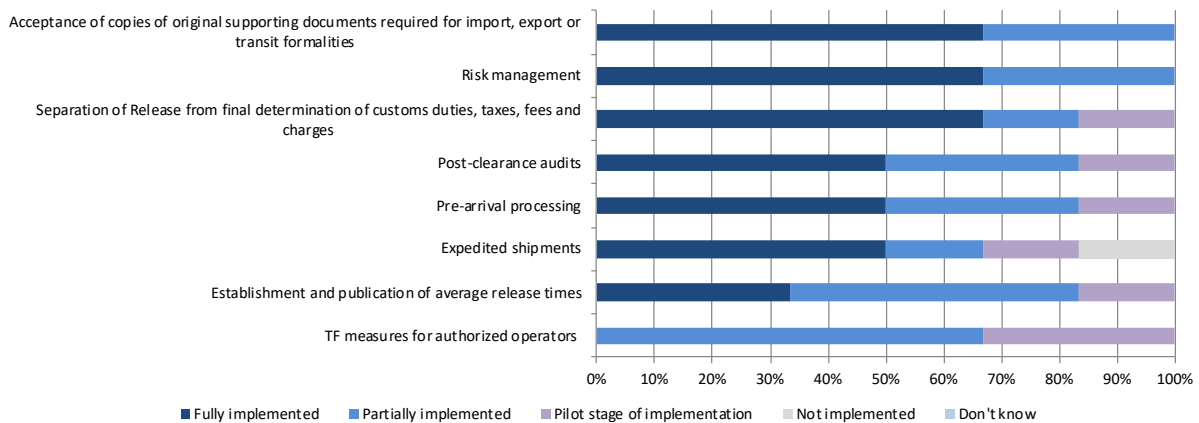
The least implemented measure is 'TF measures for authorized operators', which has been partially implemented by 65% of countries and 35% of countries implementing the measure on a pilot scheme basis (figure 10).

Figure 9. State of implementation of 'Formalities' by SPECA and Asia-Pacific



Source: UN Global Survey on Digital and Sustainable Trade Facilitation 2021, untfsurvey.org.

Figure 10. State of implementation of trade 'Formalities' in SPECA



Source: UN Global Survey on Digital and Sustainable Trade Facilitation 2021, untfsurvey.org.

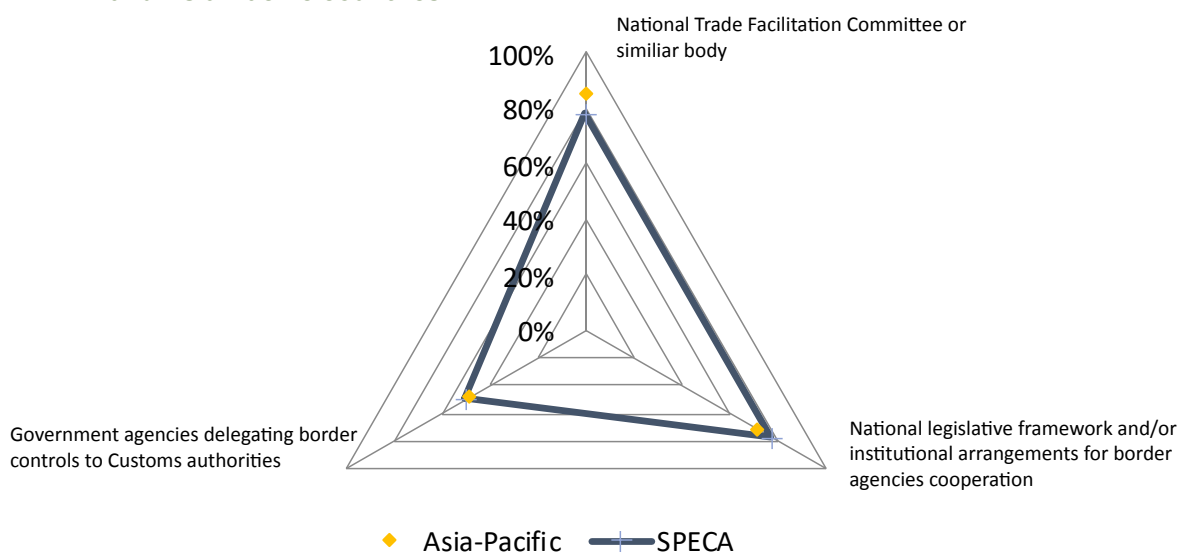
3.3 Institutional Arrangement and Cooperation

Three trade facilitation measures featured in the survey are grouped into 'Institutional Arrangement and Cooperation'. They are related to the long-standing recommendation that a national trade facilitation body be implemented to ensure coordination and cooperation among the various government agencies and other stakeholders involved in trade facilitation activities. All three measures are also specified in various Articles of the WTO TFA. The implementation rate of the three measures in SPECA stands at 69%, which

is slightly higher than the Asia-Pacific regional average level.

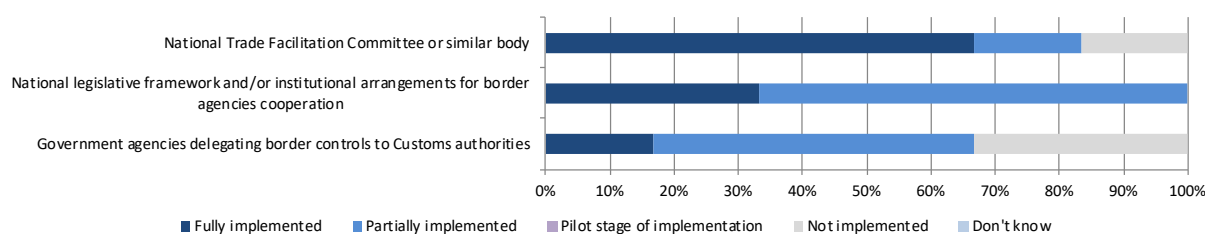
Figure 11 reveals that the implementation rates of the 'National Trade Facilitation Committee or similar body' and 'national legislative framework and/or institutional arrangements for border agencies cooperation' both at 78%. Over 30 per cent of countries in this sub-region have not implemented 'government agencies delegating border controls to Customs authorities', which makes it the least implemented measure of this sub-group (figure 12).

Figure 11. State of implementation of 'Institutional Arrangement and Cooperation' by SPECA and Asia-Pacific countries



Source: UN Global Survey on Digital and Sustainable Trade Facilitation 2021, untfsurvey.org.

Figure 12. State of implementation of 'Institutional Arrangement and Cooperation' measures for trade facilitation in SPECA



Source: UN Global Survey on Digital and Sustainable Trade Facilitation 2021, untfsurvey.org.

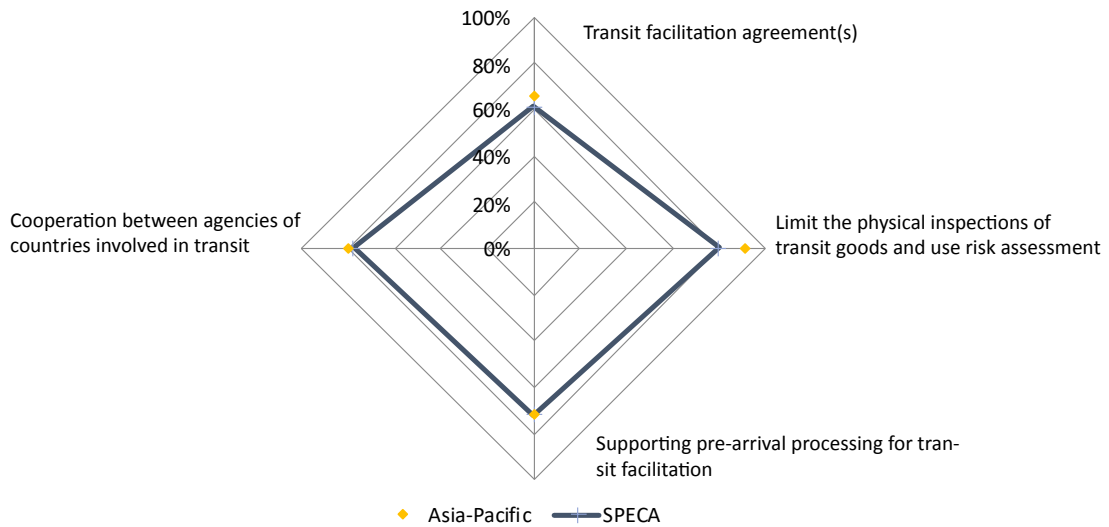
3.4 Transit Facilitation

Four trade facilitation measures included in the survey relate specifically to 'Transit Facilitation' and WTO TFA Article 11 on Freedom of Transit. These measures intend to simplify, as much as possible, the formalities associated with traffic in transit, allowing goods to be seamlessly transported through one or more transit countries. These measures are particularly important to landlocked developing countries, whereas goods typically need to go through a neighbouring country's territory for transit. The implementation level of 'Transit Facilitation' in the sub-region is

around 73%, slightly lower than that of the Asia-Pacific region.

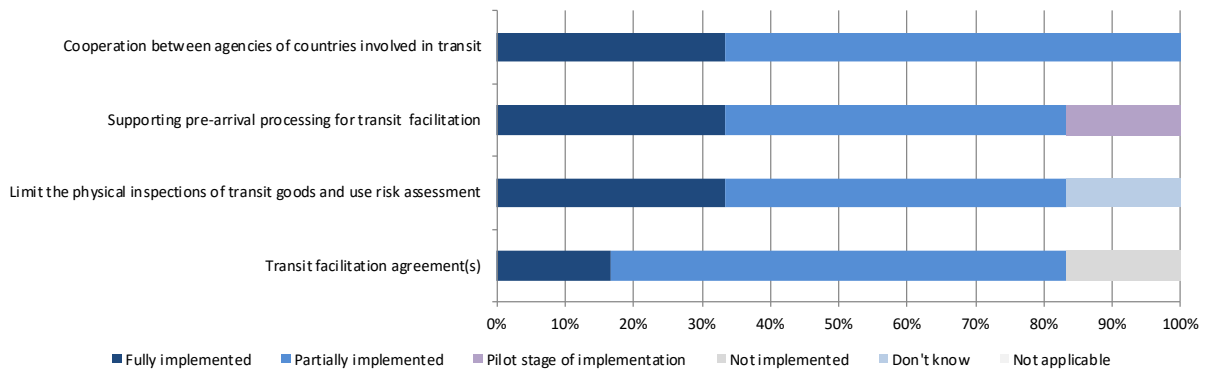
'Limit the physical inspections of transit goods and use risk assessment' is the most implemented measure, with a subregional implementation rate at 80%, followed by 'cooperation between agencies of countries involved in transit', which is implemented at 78% at the subregional level, and fully or partially implemented by all of the countries. 'Transit facilitation agreement(s)' has not yet been implemented, at least on a pilot basis in approximately 15% of the countries in the sub-region (figures 13 and 14).

Figure 13. State of implementation of 'Transit Facilitation' by SPECA and Asia-Pacific countries



Source: UN Global Survey on Digital and Sustainable Trade Facilitation 2021, unfssurvey.org.

Figure 14. State of implementation of 'Transit Facilitation' in SPECA



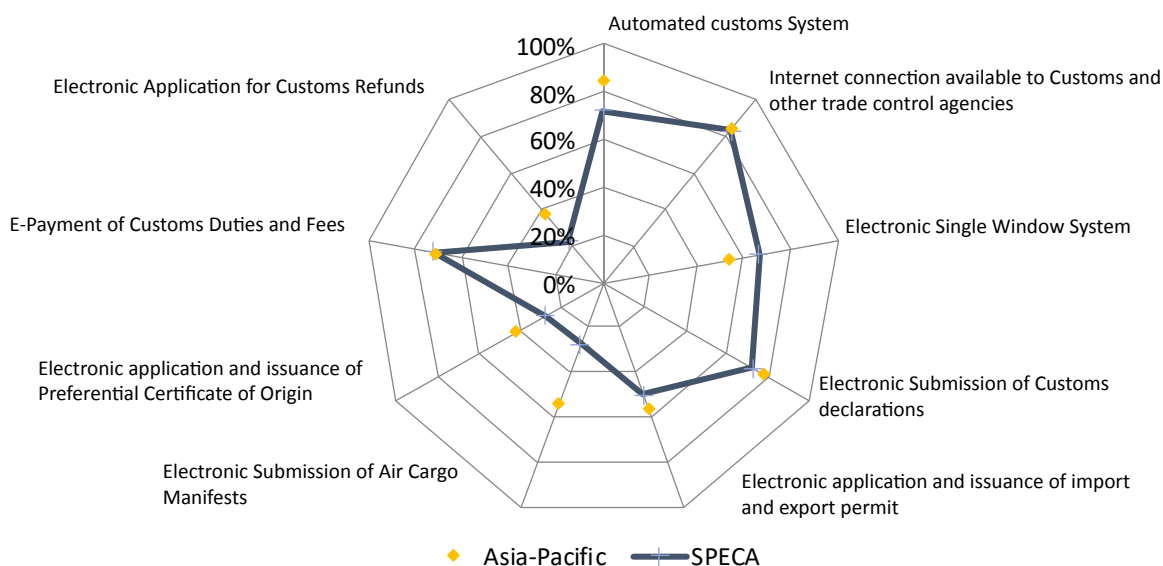
Source: UN Global Survey on Digital and Sustainable Trade Facilitation 2021, unfssurvey.org.

3.5 Paperless Trade

Nine trade facilitation measures included in the survey are grouped into 'Paperless Trade' sub-group. All these measures involve using and applying modern information and communications technologies (ICT) to trade formalities, starting from the availability of internet connections at border-crossings and customs automation to full-fledged electronic Single Window facilities. Many of the measures featured here are closely related to those specified in the WTO TFA. However, the agreement typically only encourages economies to implement such measures rather than make them a requirement.

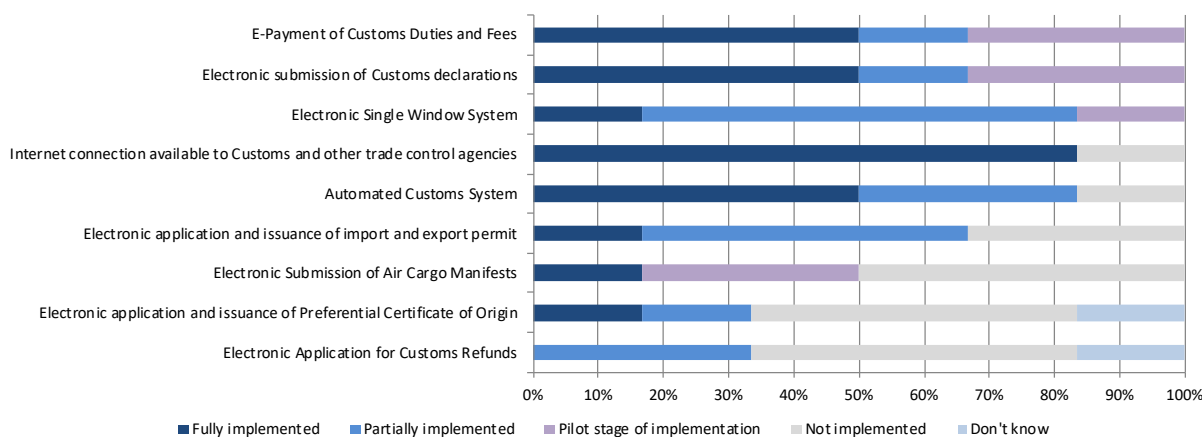
There is a huge gap between the highest (83%) and the lowest (22%) implementation rates of measures in 'Paperless Trade' sub-group. As shown in figure 15, the implementation rate of 'internet connection available to Customs and other trade control agencies' is over 80%, making it the highest level in this sub-group. More than 80% of the countries in the sub-region have fully implemented this measure. In contrast, the least implemented measure is 'electronic application for customs refunds' (implementation rate 22%), which has not yet been implemented by over 60% of SPECA countries (figure 16).

Figure 15. State of implementation of 'Paperless Trade' by SPECA and Asia-Pacific countries



Source: UN Global Survey on Digital and Sustainable Trade Facilitation 2021, untfsurvey.org.

Figure 16. State of implementation of 'Paperless Trade' in SPECA



Source: UN Global Survey on Digital and Sustainable Trade Facilitation 2021, untfsurvey.org.

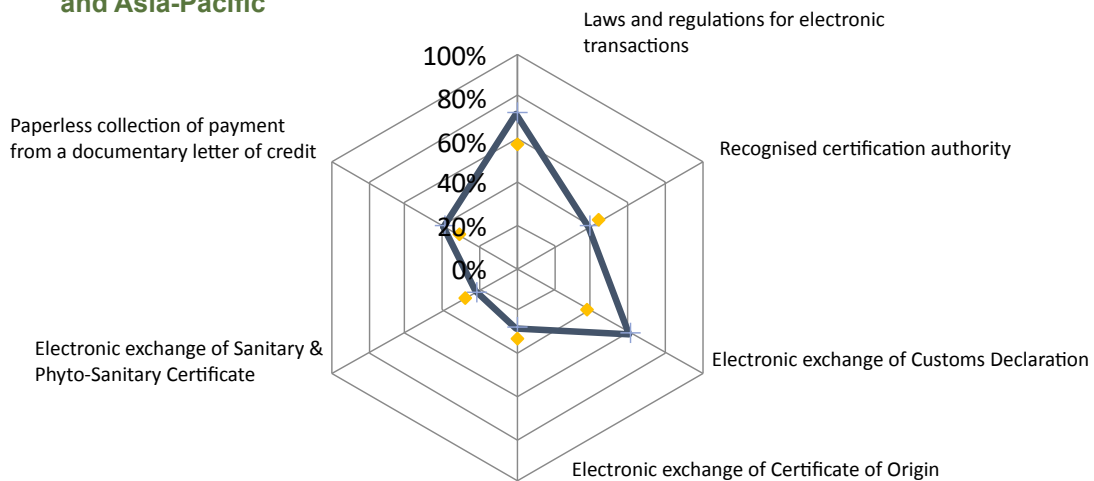
3.6 Cross-Border Paperless Trade

'Cross-border Paperless Trade' includes six measures. Two measures, namely 'laws and regulations for electronic transactions' and 'recognised certification authority', are basic building blocks towards enabling the exchange and legal recognition of trade-related data and documents among stakeholders within a country and ultimately between stakeholders along the entire international supply chain. The other four measures relate to the implementation of systems enabling the actual exchange of trade-related data and documents across borders to remove the need for sending paper documents.

The implementation levels of measures such as 'electronic exchange of certificate of origin' and 'electronic exchange of sanitary and phytosanitary certificates' are lower than the Asia-Pacific average (figure 17). Figure 18 shows that all countries in the sub-region have implemented 'laws and regulations for electronic transactions', at least on a partial basis. Fifty percent of countries in this sub-region have fully or partially implemented 'recognised certification authority', 'paperless collection of payment from a documentary letter of credit', 'laws and regulations for electronic transactions' and 'electronic exchange of Customs Declaration'. 'Electronic exchange of Sanitary & Phyto-Sanitary Certificate' is the least implemented measure followed by 'electronic exchange of Certificate of Origin', both of which have not been implemented in 60% of the countries.

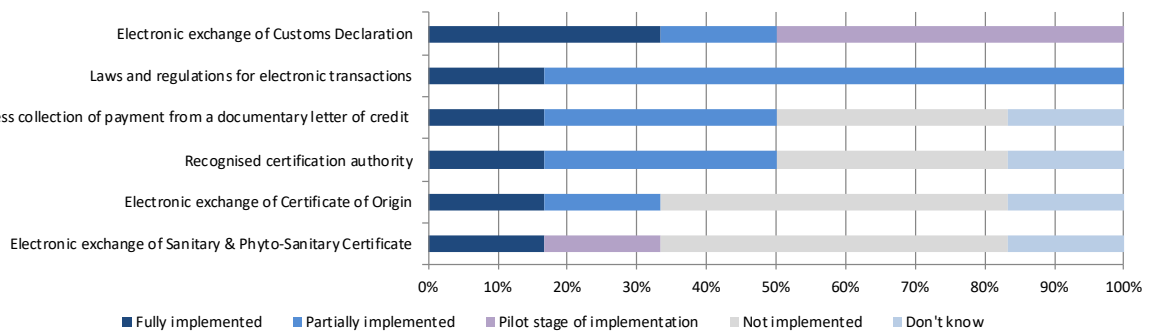
The average implementation rate of 'Cross-border paperless trade' in SPECA stands at 44%.

Figure 17. State of implementation of 'Cross-Border Paperless Trade' by SPECA and Asia-Pacific



Source: UN Global Survey on Digital and Sustainable Trade Facilitation 2021, untfsurvey.org.

Figure 18. State of implementation of 'Cross-border Paperless Trade' in SPECA



Source: UN Global Survey on Digital and Sustainable Trade Facilitation 2021, untfsurvey.org.

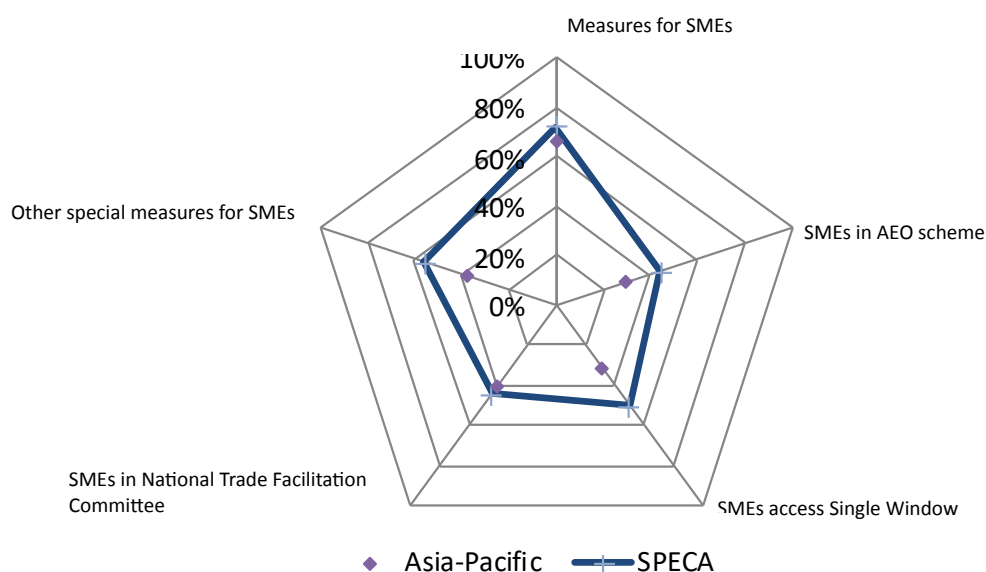
3.7 Trade Facilitation for SMEs

The Asia-Pacific average level of implementation of all five measures in 'Trade Facilitation for SMEs' varies widely (figure 19). SPECA countries' implementation rate of these measures is relatively low, standing at approximately 53%.

implementation rate standing at 72%, followed by 'other special measures for SMEs'. The implementation rate of 'SMEs in National Trade Facilitation Committee' and 'SMEs in AEO scheme' stands at 44%. The least implemented measure is 'SMEs access Single Window', which has not been implemented in slightly more than 30% of the countries (figures 19 and 20).

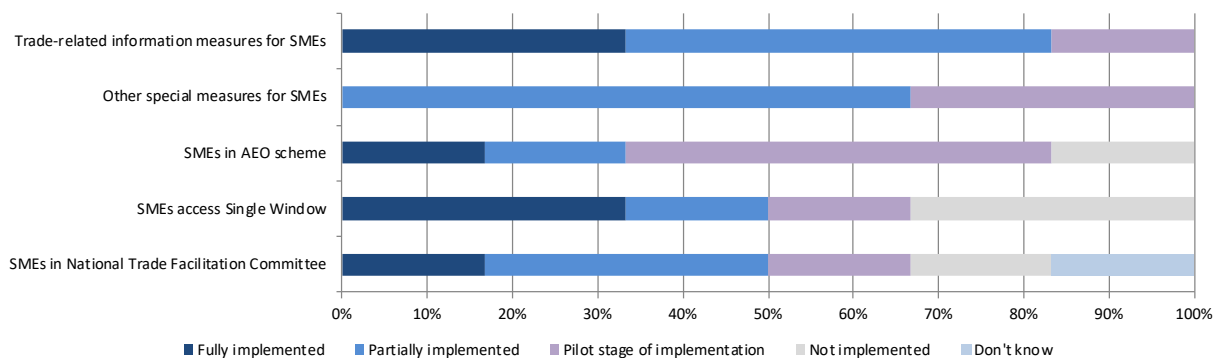
'Trade-related information measures for SMEs' is the most implemented measure, with the

Figure 19. State of implementation of 'Trade Facilitation for SMEs' by SPECA and Asia-Pacific



Source: UN Global Survey on Digital and Sustainable Trade Facilitation 2021, [untdfsurvey.org](https://untdf.org/).

Figure 20. State of implementation of 'Trade Facilitation for SMEs' in SPECA



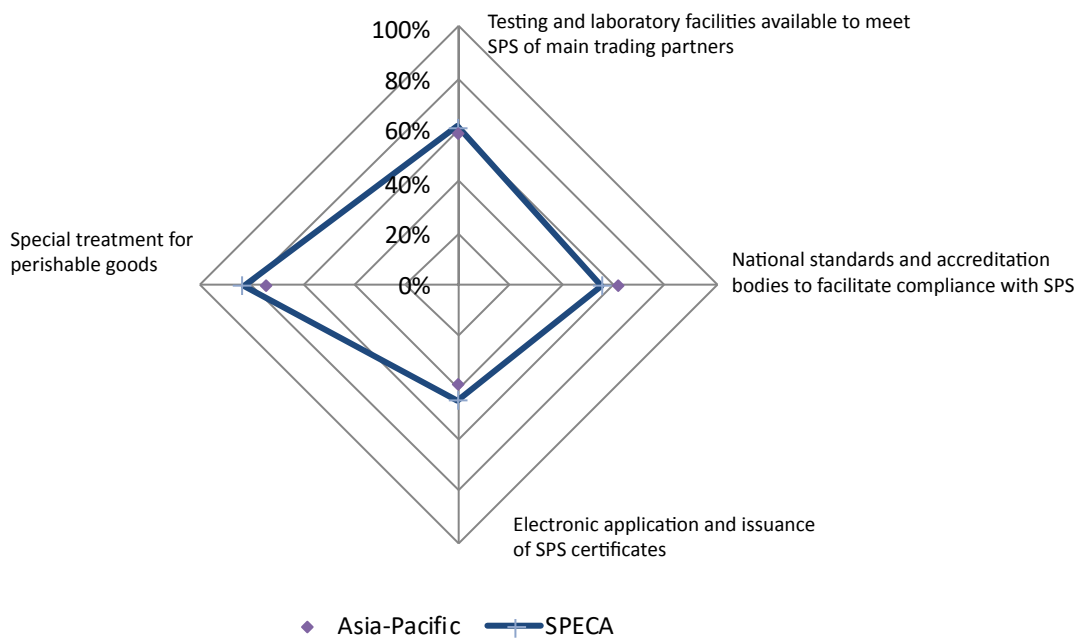
Source: UN Global Survey on Digital and Sustainable Trade Facilitation 2021, [untdfsurvey.org](https://untdf.org/).

3.8 Agriculture Trade Facilitation

The SPECA subregional average implementation rate of 'Agricultural Trade Facilitation' stands at over 60%, slightly higher than the Asia-Pacific average. 'Special treatment for perishable goods' is the most implemented measure with an implementation rate of 83%, followed by 'testing and laboratory facilities available to meet SPS of main trading partners' standing at 61%.

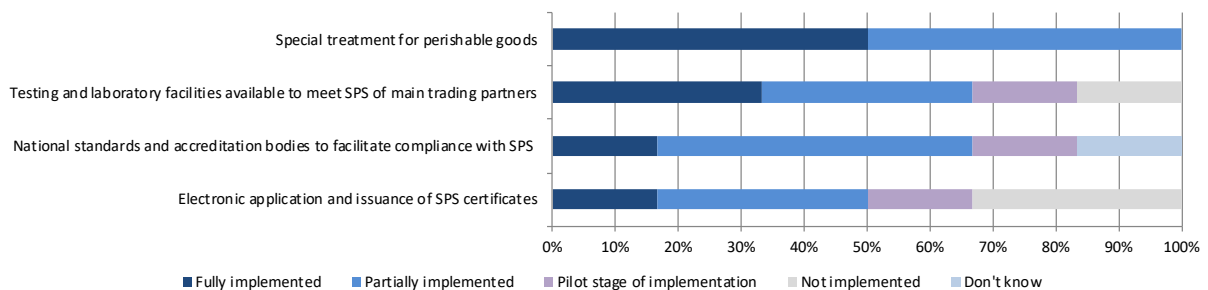
'National standards and accreditation bodies to facilitate compliance with SPS' is fully or partially implemented by over 65% of the countries. The least implemented measure in this sub-group is 'electronic application and issuance of SPS certificates' (subregional implementation rate 44%). Implementation of this measure is incomplete. Only 15% of the countries in the sub-region have fully implemented this measure (figures 21 and 22).

Figure 21. State of implementation of 'Agricultural Trade Facilitation' by SPECA and Asia-Pacific countries



Source: UN Global Survey on Digital and Sustainable Trade Facilitation 2021, untfsurvey.org.

Figure 22. State of implementation of 'Agricultural Trade Facilitation' in SPECA



Source: UN Global Survey on Digital and Sustainable Trade Facilitation 2021, untfsurvey.org.

3.9 Women in Trade Facilitation

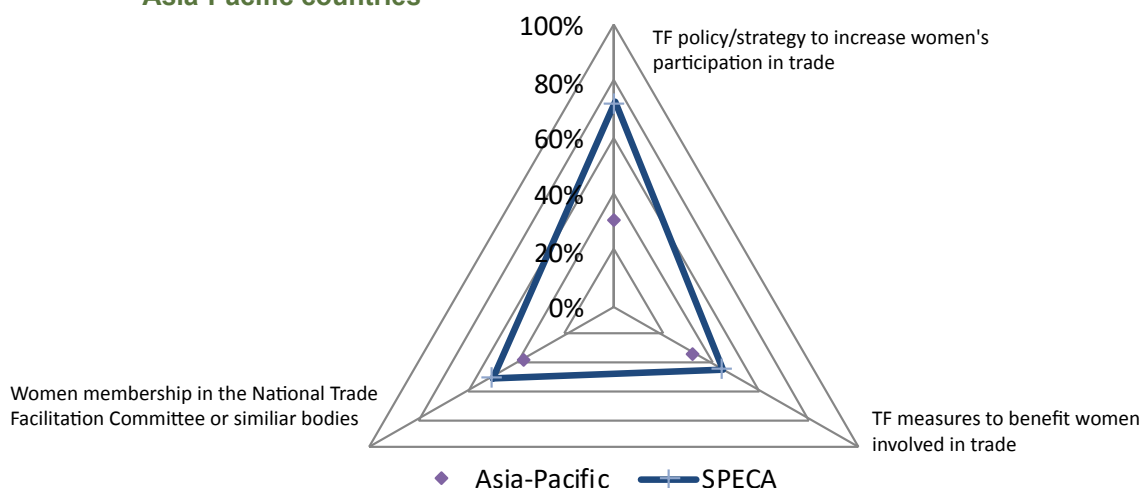
The SPECA overall level of implementation of the three 'Women in Trade Facilitation' measures stands at 56%. 'TF policy/strategy to increase women's participation in trade' is the most implemented measure standing at 72%. Implementation rates of the other two measures in this sub-group exceed 40%, both of which are higher than the regional average (figure 23).

All of the countries have, to some extent, introduced 'TF policy/strategy to increase women's participation in trade'. However, implementation is mainly on a partial and pilot basis. Specific measures include but are not limited to having a gender focal point in the relevant border agencies, promoting balanced participation of men and

women in trainings, to offering specific trainings for women involved in trade. 'Women membership in the National Trade Facilitation Committee or similar bodies' has not been implemented in 15% of the countries, and implementation is incomplete (figure 24). Only 15% of countries have fully implemented 'TF measures to benefit women involved in trade', making it the least implemented measure.

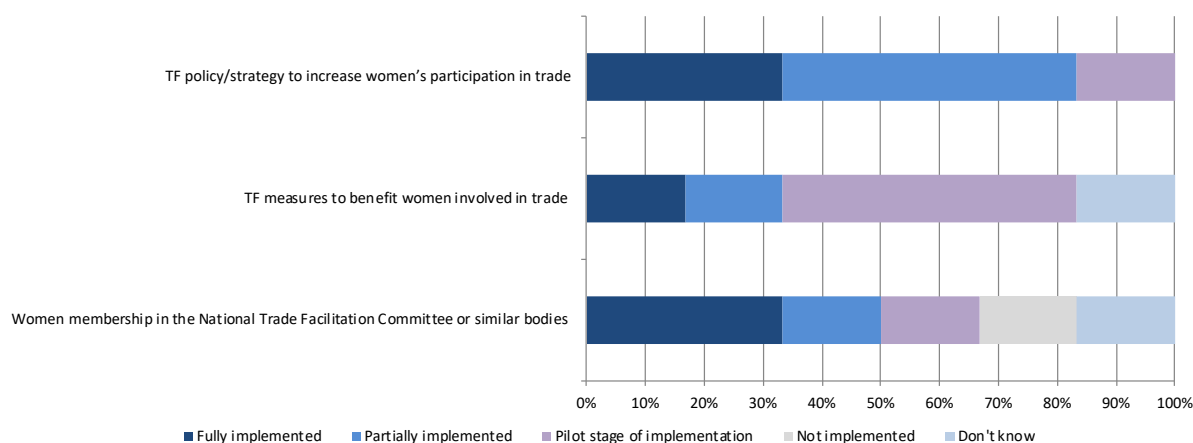
Gender equality and women's empowerment are important elements of the Sustainable Development Agenda. However, women still face barriers to participating in trade and trade facilitation. With the development of gender equality, it's time for countries to consider feasible measures that enhance gender balance in national trade facilitation committees and incorporate strategies to increase women's participation in trade.

Figure 23. State of implementation of 'Women in Trade Facilitation' by SPECA and Asia-Pacific countries



Source: UN Global Survey on Digital and Sustainable Trade Facilitation 2021, [untdcsurvey.org](https://untdc.org/untdc-survey).

Figure 24. State of implementation of 'Women in Trade Facilitation' by SPECA



Source: UN Global Survey on Digital and Sustainable Trade Facilitation 2021, [untdcsurvey.org](https://untdc.org/untdc-survey).

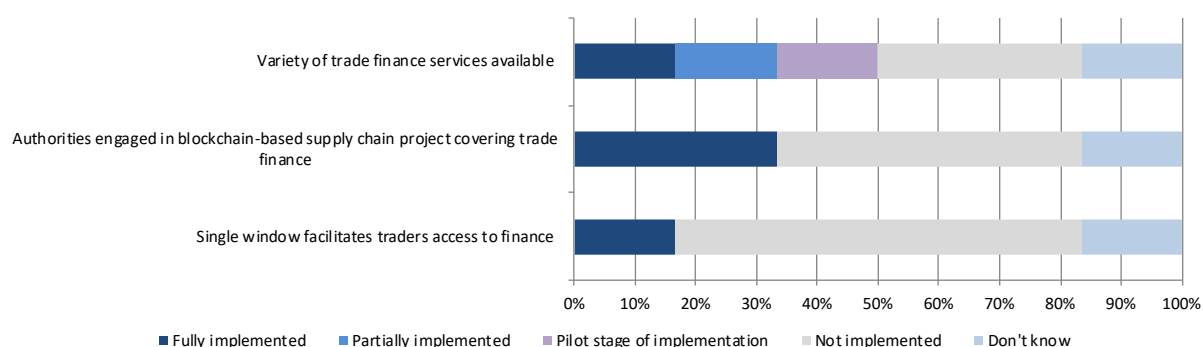
3.10 Trade Finance Facilitation

'Trade Finance Facilitation' is the least implemented sub-group of measures in SPECA. The most implemented measures in this sub-group are 'variety of trade finance services available' and 'authorities engaged in blockchain-based supply chain project covering trade finance', with over 30% of countries declaring that it has been fully or partially implemented. The implementation rate of 'Single Window facilitates traders access to finance' is relatively low, with only 15% of countries fully implementing the measure (figure 25).

However, data on this topic was challenging to collect as part of the survey. For example, no

evidence of the implementation of Single Window features that facilitate traders' access to finance could be obtained from trade facilitation experts and officials who provided or validated the survey, indicating general unfamiliarity with trade finance. Traditional trade facilitation actors, including Customs and Ministries in charge of trade, may see procedures related to financing and payment of international trade transactions as outside their scope of work. However, given the interdependence between goods and financial flows, the results suggest a need for greatly enhanced coordination and cooperation between them and those involved in developing financial and payment services.

Figure 25. State of implementation of 'Trade Finance Facilitation' in SPECA



Source: UN Global Survey on Digital and Sustainable Trade Facilitation 2021, untfsurvey.org.

3.11 Trade Facilitation in Times of Crisis

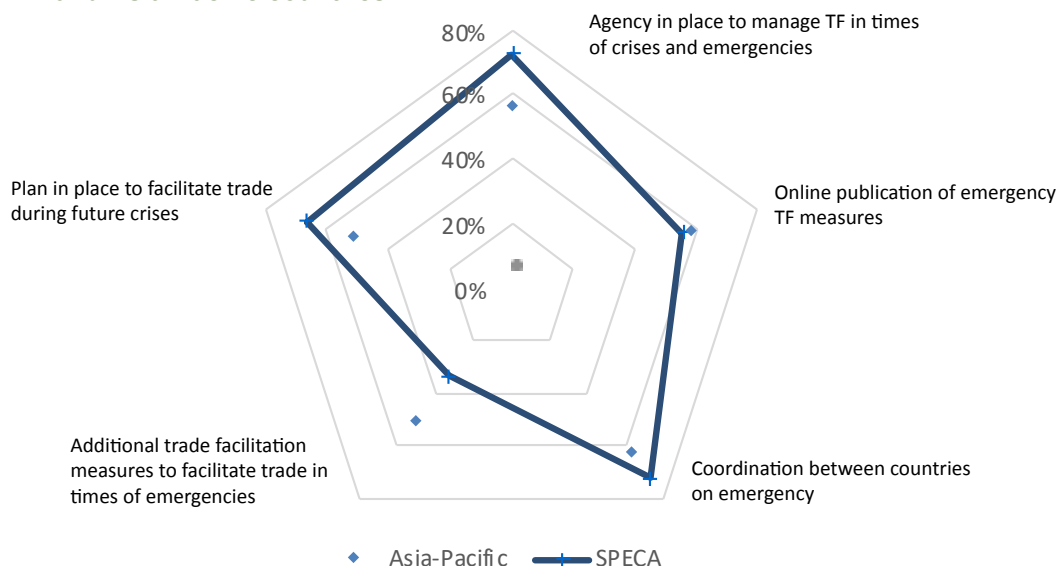
'Trade Facilitation Measures in Times of Crisis' has been incorporated in the 2021 survey for the first time in the context of the COVID-19 pandemic. The outbreak of Covid-19 has impeded global trade unprecedentedly, and the ongoing impact has created considerable uncertainties to the global supply chain. The implementation level of this sub-group by SPECA stands at 60%, higher than the Asia-Pacific average.

'Agency in place to manage TF in times of crises and emergencies' and 'coordination between countries on emergency TF measures' are the measures with the highest implementation rate standing at 72%,

followed by 'plan in place to facilitate trade during future crises' with a subregional implementation rate of 67%, substantially higher than that of the subregional average. (figure 26).

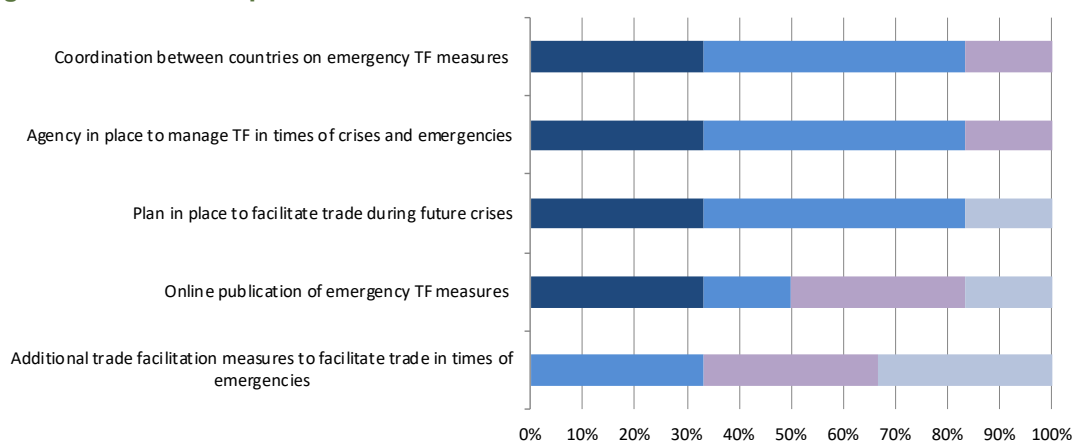
'Plan in place to facilitate trade during future crises', 'agency in place to manage TF in times of crises and emergencies' and 'coordination between countries on emergency TF measures' have been fully or partially implemented by over 80% of countries. Fifteen percent of countries have not implemented 'online publication of emergency TF measures'. 'Additional trade facilitation measures to facilitate trade in times of emergencies' is the least implemented measure, with the implementation rate standing at 33%, which has not been implemented by over 30% of countries (figure 27).

Figure 26. State of implementation of 'Trade Facilitation in Times of Crisis' by SPECA and Asia-Pacific countries



Source: UN Global Survey on Digital and Sustainable Trade Facilitation 2021, untfsurvey.org.

Figure 27. State of implementation of 'Trade Facilitation in Times of Crisis' in SPECA



Source: UN Global Survey on Digital and Sustainable Trade Facilitation 2021, untfsurvey.org.



4

Assessing the Impact of Trade Facilitation in SPECA

To assess the potential impact of the implementation of trade facilitation measures in SPECA, we estimate a trade cost model as a function of trade facilitation implementation rates based on the UN Survey data presented above, in addition to other traditional trade cost factors such as natural geographic factors (distance, “landlockedness”, and contiguity), cultural and historical distance (e.g., common official language, former colonial relationships), the presence of regional trade agreements and maritime connectivity. The model is based on ADB/ESCAP (2021) by capturing the changes in trade costs resulting from each countries’ implementation of trade facilitation measures.

The overall trade cost reductions expected in SPECA from the implementation of three sets of trade facilitation measures are shown in table 3. The first set of trade facilitation measures is limited to the implementation of WTO TFA binding measures only.⁸ The second set of measures includes all binding and non-binding WTO TFA measures included in the UN Survey. The final and most ambitious set is a WTO TFA+ set of measures, including digital implementation of TFA measures and cross-border paperless trade. For each set of measures, average changes in trade cost achieved if all SPECA countries at least partially implement all measures or fully implement all measures are calculated.

8. The list of binding and non-binding WTO TFA measures is available in the Appendix of ADB/ESCAP (2021)

Table 3. Changes in trade costs in SPECA resulting from implementation of trade facilitation and paperless trade

ASEAN: trade costs 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	-4.57%	-8.08%	-6.31%	-11.41%	-13.66%	-20.11%
Model 2						
General trade facilitation measures	-1.43%	-2.58%	-1.78%	-3.30%	-2.04%	-3.61%
Digital trade facilitation measures			-2.74%	-4.74%	-14.83%	-19.49%

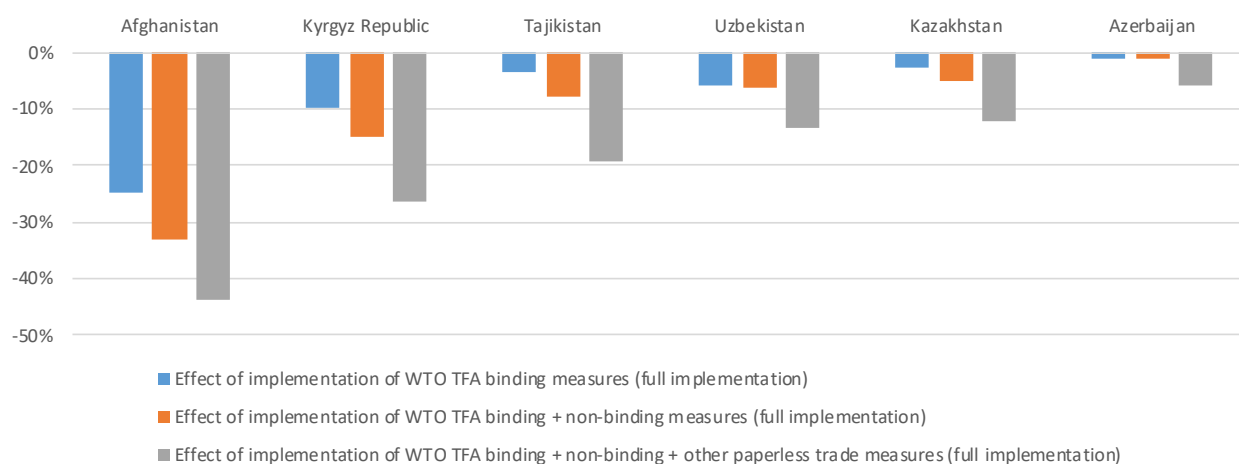
Source: ADB ESCAP 2021

Two main findings emerge from this impact analysis. First, complying with WTO TFA by implementing binding measures can slightly reduce trade costs. Full implementation of binding measures in the overall trade facilitation model results in a decrease of trade costs of about 8%. In comparison, full implementation of all measures (both binding and non-binding measures) results in more than 11% reduction. Second, the paperless implementation of the TFA measures, together with enabling the seamless electronic exchange of trade data and documents across borders, will help significantly reduce trade costs by 20% for SPECA as a whole. Results of model two also suggest that most of the trade cost reductions are associated with paperless trade measures rather than conventional trade facilitation measures.

Figure 28 further shows varying degrees of trade cost reductions for each country in the subregion. All countries in the subregion will benefit the

most from the implementation of paperless trade measures. However, achieving such trade cost reductions will require closer cooperation between economies on developing interoperable paperless trade systems, as envisaged in the CPTA (Box 1). Common principles for international trade could also support the trade digitalization, such as via UN/CEFACT standards (Box 2). Also, the SPECA Trade Facilitation Strategy and the Roadmap for its implementation could support countries in the SPECA region and its partners to simplify and harmonize international trade procedures and increase the efficiency of border crossing and other trade-related processes.⁹

9. See SPECA Trade Facilitation Strategy at https://unece.org/fileadmin/DAM/SPECA/documents/gc/session14/SPECA_Trade_Facilitation_Strategy_English.pdf and the Roadmap at https://unece.org/fileadmin/DAM/SPECA/documents/gc/session14/Roadmap_for_Implementation_of_the_SPECA_TF_Strategy_English.pdf

Figure 28. Impact of trade facilitation implementation on trade costs of SPECA economies

Source: UN Global Survey on Digital and Sustainable Trade Facilitation 2021, untfsurvey.org.

Box 1. Continued efforts to accelerate trade digitalization via a United Nations Treaty

The Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific (CPTA), a United Nations treaty, aims 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. It is designed as an inclusive and enabling platform that will benefit all participating economies, regardless of where they stand in terms of trade facilitation or single window/paperless trade implementation.

The treaty was adopted by the ESCAP members in 2016. On 20 February 2021, it entered into force, which indicates ESCAP members' continued efforts on acceleration of trade digitalization in the region. As stated in Article 19 of the Agreement, it entered into force 90 days after the date on which the Governments of at least five ESCAP member States have deposited their instruments of ratification or accession. Azerbaijan acceded in March 2018 and the Philippines acceded in December 2019. The Islamic Republic of Iran ratified in May 2020, Bangladesh ratified in October 2020 and China, as the fifth country, ratified in November 2020. In addition, Armenia and Cambodia signed in 2017. Furthermore, several other ESCAP member States are in the process of completing their domestic processes for accession.

Achieving cross-border paperless trade across the region is a long and difficult endeavour; it cannot be achieved without close collaboration between countries and requires high-level commitment and vision of countries to harnessing the benefits from trade digitalization. The CPTA is expected to support the process by providing a dedicated institutional framework for countries with proven political will to develop legal and technical solutions for cross-border paperless trade, including through pilot projects, capacity-building and technical assistance, based on existing international standards. Some of the benefits for ESCAP member States who become parties to the CPTA include:

- (a) Accelerated progress towards a digital and paperless trade environment at the national level, with the opportunity to integrate emerging cross-border paperless trade considerations and best practices early in the development of national Single Windows and other paperless trade systems;
- (b) A reduction in overall investment costs and maximization of returns from investments in paperless trade systems, through concurrent development of national paperless trade systems and environment for cross-border trade data exchange;
- (c) Increased opportunities for capacity- building through training, workshops and knowledge-sharing platforms as well as easier access to information, knowledge and resources to achieve full digital implementation of the WTO Trade Facilitation Agreement;
- (d) Direct participation in the development of pragmatic solutions for the cross-border exchange of trade documents. For more advanced countries with relevant experience and existing practices, this will enable them to ensure that new regional systems and solutions will be harmonized and interoperable with what they have already achieved on a bilateral and/or subregional basis;
- (e) Compliance with commitments the Party may have made through in its bilateral and plurilateral trade agreements, such as regional trade agreements (RTAs) to collaborate on exchanging electronic of data and documents (typically featured in "Paperless Trading" Articles in RTAs, or related provisions or agreements).

More details on the CPTA, including a draft implementation roadmap, are available at:

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

Box 2. UN/CEFACT standards for digital and sustainable trade facilitation: a common language and common principles for international trade

The digitalization of trade facilitation and countries' quest for increased global competitiveness in support of sustainable development create a dynamic and rapidly changing environment for trade facilitation. Adhering to international best practices for the simplification, harmonization and standardization of regulatory practices and digitalization, including cross-border exchange of electronic trade data, can help countries address challenges arising from this dynamic.

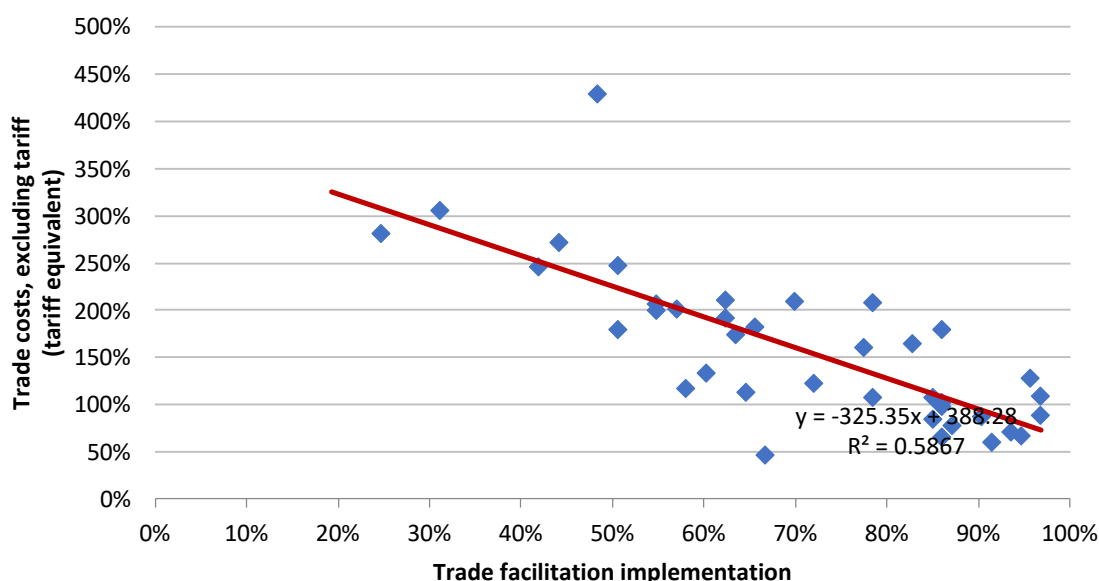
International instruments, including recommendations and standards such as those developed by UN/CEFACT, are tools available to move towards alignment and, eventually, harmonization of trade facilitation practices. UN/CEFACT has been a pioneer in the development of recommendations, e-business standards and guidance material. During the past four decades UN/CEFACT has developed about 50 trade facilitation recommendations and hundreds of e-business standards, technical specifications and guidance materials on electronic exchange of trade data. These instruments reflect best practices in trade procedures and in data and documentary requirements. They are continuously reviewed, adopted by UNECE member States, and available, free of charge, for the global trade facilitation community. UN/CEFACT instruments should be the point of reference for the dynamic journey towards digital and sustainable trade facilitation. Table 6 of the source report maps some of the key instruments against the measures in the Survey and the articles of the WTO TFA.

Source: Digital and Sustainable Trade Facilitation: UNECE Regional Report 2021. Available at: <https://unece.org/info/publications/pub/361161?ref=unftsurvey.org>

5

Conclusion and Way Forward

This report presents digital and sustainable trade facilitation implementation data collected from all SPECA countries and other 36 economies across the Asia-Pacific region. The survey covered not only the implementation of general trade facilitation measures, including most of those featured in the WTO TFA, but also more advanced ICT-based trade facilitation measures, as well as measures targeted at the agricultural sector, SMEs, women traders, trade finance and in the context of emergencies. Figure 29 confirms the strong relationship between the cost of international trade in Asia-Pacific countries and their level of implementation of trade facilitation.

Figure 29. Trade facilitation implementation and trade costs of Asia-Pacific economies

Sources: ESCAP-World Bank International Trade Cost Database (July 2021 update) and United Nations Global Survey on Digital and Sustainable Trade Facilitation 2021, unctfsurvey.org

Based on a package of 31 trade facilitation measures included in the survey, the average implementation of trade facilitation in the region is approximately 65%, an increase of six percentage points compared to the last survey results. SPECA countries performance is slightly lower than the regional average, with an average implementation of 63.8%. The assessment reveals that most SPECA countries have made great efforts to improve transparency, strengthen the coordination and cooperation among agencies, and streamline fees and formalities associated with trade transactions. While Customs in all SPECA countries surveyed have been actively developing paperless systems to speed up customs clearance while also improving control, all countries in the subregion are now also engaged in implementing more advanced national multi-agency paperless systems, such as national electronic Single Windows, enabling electronic data and information sharing among government agencies and businesses to serve the purpose of paperless trade.¹⁰

However, the implementation of cross-border paperless trade remains low. This is not surprising given that, on the one hand, many developing economies in the region are at an early stage of development of the national paperless system, while on the other hand, more advanced countries have paperless systems in place that are not fully interoperable with each other. In that regard, given the large potential benefits associated with the implementation of these next-generation trade

facilitation measures, it is in the interest of countries from all groups to work together and develop the legal and technical protocols needed for the seamless exchange of regulatory and commercial data and documents along the international supply chain.

The CPTA is a United Nations treaty that aims to accelerate the implementation of digital trade facilitation measures for trade and development. Negotiated as an inclusive and flexible intergovernmental platform to enable the electronic exchange of trade-related data and documents across borders among parties, the CPTA is set to benefit all parties regardless of their current state of implementation of paperless trade. The CPTA entered into force in February 2021 and the first implementation meeting is to be held in April 2022. Therefore, all countries in the region are encouraged to become parties to the treaty as soon as possible in order to take advantage of what the agreement offers, especially in terms of accessing capacity building and technical assistance.

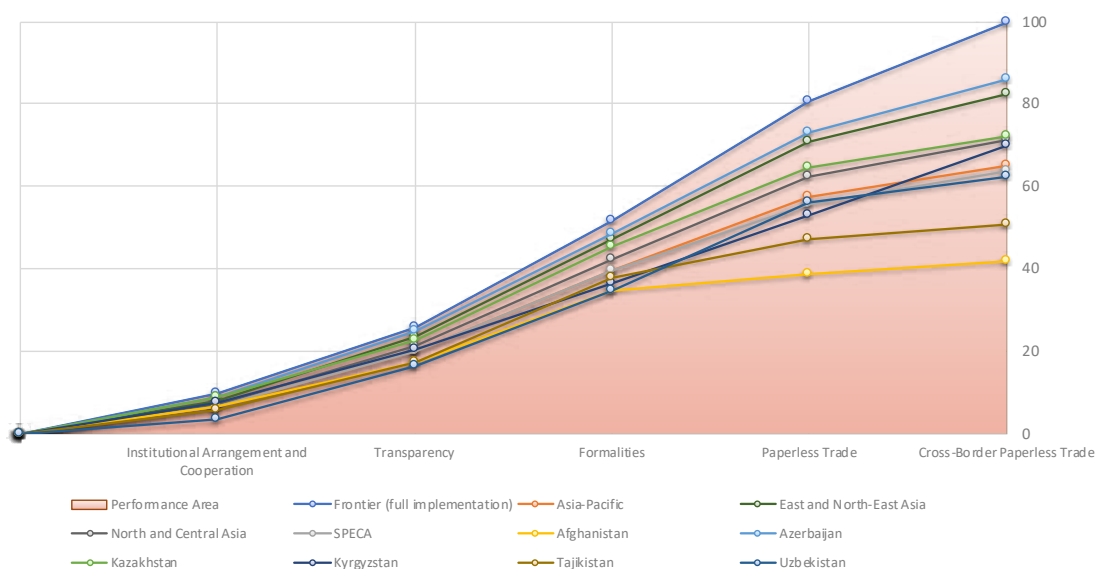
To further advance trade facilitation and paperless trade, figure 30 shows the implementation of trade facilitation as a step-by-step process, based on the measures included in this survey. Trade facilitation begins with setting up the 'Institutional Arrangement' to prioritise and coordinate trade

¹⁰ This step-by-step process is inspired by, and generally consistent with the UN/CEFACT step-by-step approach to trade facilitation towards achieving a Single Window environment.

facilitation measures. The next step is to make the trade processes more 'Transparent' by sharing information on existing laws, regulations and procedures as widely as possible and negotiating with stakeholders when developing new ones. The third step is to design and implement simpler and more efficient trade 'Formalities'. The re-engineered and streamlined processes may first be implemented based on paper documents but can

be further improved through ICT and 'Paperless Trade' systems. The ultimate step is to enable the electronic trade data and documents exchange by traders, government and service providers within national (Single Window and other) systems to be used and re-used to provide stakeholders in partner countries with the information they need to speed up the movement of goods and reduce the overall costs of trade.

Figure 30. Moving up the trade facilitation ladder towards seamless international supply chains



Source: UN Global Survey on Digital and Sustainable Trade Facilitation 2021, untfsurvey.org.

Looking ahead, digital trade facilitation offers a great opportunity to reduce trade costs and increase trade volume in the subregion and beyond. This is particularly the case with the current COVID-19 crisis, which has accelerated digital transformation and underscored its importance for sustaining trade flows. Countries in the subregion have strived to improve their digital infrastructure to facilitate trusted and secure data-sharing among partners.

In terms of 'Sustainable Trade Facilitation', the implementation of "inclusive" measures to promote SMEs and the participation of women in trade remains low. SMEs are important participants in the global economy and play an important role in digital trade, but trade facilitation measures tailored to SMEs are insufficient. Therefore, building the capacity of SMEs and taking them into account in trade facilitation policies are essential to achieving sustainable trade facilitation.¹¹ The survey reveals a need for more understanding and cooperation among agencies responsible for trade finance and facilitation to ensure that trade finance and payment instruments are integrated into trade facilitation implementation strategies, including Single Window development plans. Given their importance in achieving sustainable and inclusive development of economies in the region, particularly in times of crisis, trade

facilitation strategies should be designed more holistically and inclusively. The SPECA Principles of Sustainable Trade, by encouraging the countries to align its regional trade development with the Sustainable Development Goals, could foster the implementation of sustainable trade facilitation in the SPECA region.¹²

Lastly, the COVID-19 pandemic has undoubtedly exposed the weaknesses of the global trading system. The newly incorporated 'Trade Facilitation in Times of Crisis' group shows that SPECA countries have paid close attention to restoring trade, and implementation level exceeded the regional average. Since the pandemic is not over and will continue to affect the world economy, there is still room for SPECA countries to boost the cooperation further to minimise the pandemic's impact and improve the emergency response capacity to contribute to recovery and prepare adequately for future crises. This includes the climate crisis, in which trade facilitation certainly has a mitigating role to play.¹³

11. See ESCAP and ITC (2016) on Mainstreaming Trade Facilitation in SME Development Strategies. Available at: <https://www.unescap.org/sites/default/files/MakingWTOTFAWorkforSMEs.pdf>

12. See the SPECA Principles of Sustainable Trade at https://unece.org/fileadmin/DAM/SPECA/documents/gc/session14/Principles_of_Sustainable_Trade_Trade_English.pdf

13. Duval Y, Hardy, S, 2021. A primer on quantifying the environmental benefits of cross-border paperless trade facilitation. Available at <https://artnet.unescap.org/publications/working-papers/primer-quantifying-environmental-benefits-cross-border-paperless-trade>

ANNEXES

Annex 1. Grouping of trade facilitation measures and correspondence with TFA articles

Groups	Sub-groups	Measures	Relevant TFA Articles
General TF	Transparency (5 measures)	Publication of existing import-export regulations on the Internet	1.2
		Stakeholders' consultation on new draft regulations (prior to their finalization)	2.2
		Advance publication/notification of new trade-related regulations before their implementation (e.g., 30 days prior)	2.1
		Advance ruling on tariff classification and origin of imported goods	3
		Independent appeal mechanism (for traders to appeal customs rulings and the rulings of other relevant trade control agencies)	4
	Formalities (8 measures)	Risk management (as a basis for deciding whether a shipment will be physically inspected or not)	7.4
		Pre-arrival processing	7.1
		Post-clearance audits	7.5
		Separation of release from final determination of customs duties, taxes, fees and charges	7.3
		Establishment and publication of average release times	7.6
		Trade facilitation measures for authorized operators	7.7
		Expedited shipments	7.8
		Acceptance of copies of original supporting documents required for import, export, or transit formalities	10.2.1
	Institutional arrangement and cooperation (5 measures)	Establishment of a National Trade Facilitation Committee or similar body	23
		National legislative framework and/or institutional arrangements for border agencies cooperation	8
		Government agencies delegating border controls to Customs authorities	
		Alignment of working days and hours with neighbouring countries at border crossings	8.2(a)
		Alignment of formalities and procedures with neighbouring countries at border crossings	8.2(b)
	Transit facilitation (4 measures)	Transit facilitation agreement(s) with neighboring country(ies)	
		Customs authorities limit the physical inspections of transit goods and use risk assessment	10.5
		Supporting pre-arrival processing for transit facilitation	11.9
		Cooperation between agencies of countries involved in transit	11.16

Groups	Sub-groups	Measures	Relevant TFA Articles
Digital TF	Paperless trade (10 measures)	Automated Customs System (e.g. ASYCUDA)	
		Internet connection available to Customs and other trade control agencies at border-crossings	
		Electronic Single Window System	10.4
		Electronic submission of Customs declarations	
		Electronic application and issuance of import and export permit	
		Electronic Submission of Sea Cargo Manifests	
		Electronic Submission of Air Cargo Manifests	
		Electronic application and issuance of Preferential Certificate of Origin	
		E-Payment of Customs Duties and Fees	7.2
		Electronic Application for Customs Refunds	
	Cross-border paperless trade (6 measures)	Laws and regulations for electronic transactions are in place (e.g., e-commerce law, e-transaction law)	
		Recognized certification authority issuing digital certificates to traders to conduct electronic transactions	
		Electronic exchange of Customs Declaration	
		Electronic exchange of Certificate of Origin	
		Electronic exchange of Sanitary & Phyto-Sanitary Certificate	
		Paperless collection of payment from a documentary letter of credit	
Sustainable TF	Trade facilitation for SMEs (5 measures)	Trade-related information measures for SMEs	
		SMEs in AEO scheme (i.e. Government has developed specific measures that enable SMEs to more easily benefit from the AEO scheme)	
		SMEs access Single Window (i.e. Government has taken actions to make single windows more easily accessible to SMEs (e.g., by providing technical consultation and training services to SMEs on registering and using the facility.))	
		SMEs in National Trade Facilitation Committee (i.e. Government has taken actions to ensure that SMEs are well-represented and made key members of National Trade Facilitation Committees (NTFCs))	
		Other special measures for SMEs	

Groups	Sub-groups	Measures	Relevant TFA Articles
Sustainable TF	Agricultural trade facilitation (4 measures)	Testing and laboratory facilities available to meet SPS of main trading partners	
		National standards and accreditation bodies are established to facilitate compliance with SPS	
		Electronic application and issuance of SPS certificates	
		Special treatment for perishable goods at border-crossings	7.9
	Women in trade facilitation (3 measures)	Trade facilitation policy/strategy to increase women's participation in trade	
		Trade facilitation measures to benefit women involved in trade	
		Women membership in the National Trade Facilitation Committee or similar bodies	
	Trade finance facilitation (3 measures)	Single window facilitates traders access to finance	
		Authorities engaged in blockchain-based supply chain project covering trade finance	
		Variety of trade finance services available	
		Agency in place to manage TF in times of crises and emergencies	
	Trade facilitation in times of crisis (5 measures)	Agency in place to manage TF in times of crises and emergencies	
		Online publication of emergency TF measures	
		Coordination between countries on emergency TF measures	
		Additional trade facilitation measures to facilitate trade in times of emergencies	
		Plan in place to facilitate trade during future crises	

Annex 2: A three-step approach for data collection and validation

Data submission by experts:	The ESCAP Secretariat sent the survey instrument to trade facilitation experts (in Governments, the private sector and academia) in Asia-Pacific countries to gather preliminary information. The questionnaire was also made publicly available online and disseminated with the support of the International Chamber of Commerce (ICC) and the United Nations Network of Experts for Paperless Trade and Transport for Asia and the Pacific (UNNExT). In some cases, the questionnaire was also sent to relevant national trade facilitation authorities or agencies as well as regional trade facilitation partners or organizations, such as the Asian Development Bank (ADB), the Association of Southeast Asian Nations (ASEAN), the Central Asia Regional Economic Cooperation (CAREC) Institute, the Oceania Customs Organization (OCO) and the United Nations Conference on Trade and Development (UNCTAD). This first step took place essentially between January and May 2021.
Data verification by the UNRCs Secretariat:	The ESCAP Secretariat cross-checked the data collected in Step 1. Desk research and data sharing among UNRCs and survey partners were carried out to check the accuracy of data further. Face-to-face or telephone interviews with key informants were arranged to gather additional information when needed. Step 2 took place between January and May 2021. The outcome of Step 2 was a consistent set of responses per country.
Data validation by national governments:	Step 3 took place between May and June 2021. The ESCAP Secretariat sent the completed questionnaire to each national Government to ensure that the country had the opportunity to review the dataset and provide any additional information. The feedback from national Governments was incorporated to finalize the dataset. In the case of ASEAN members, the preliminary data were also made available for review by the ASEAN Trade Facilitation Joint Consultative Committee (ATF-JCC).

Annex 3: Definition of each Stage of Implementation

Stage of implementation	Coding/Scoring
<p>Full Implementation: the trade facilitation measure implemented is in full compliance with commonly accepted international standards, recommendations and conventions such as the Revised Kyoto Convention, UN/CEFACT Recommendations, or the WTO Trade Facilitation Agreement (TFA); it is implemented in law and in practice; it is available to essentially all relevant stakeholders nationwide, and supported by adequate legal and institutional frameworks, as well as adequate infrastructure and financial and human resources. A TFA provision included in the commitments given under Notifications of Category A may generally be considered as a measure, which is fully implemented by the country, with a caveat that the provision will be implemented by a Least-Developed Country (LDC) member within one year of the TFA agreement coming into force. If a country registers a positive response for all sub-questions concerning a given trade facilitation measure, that measure should be considered fully implemented.</p>	3
<p>Partial Implementation: a measure is considered to be partially implemented if at least one of the following is true: (1) the trade facilitation measure is in partial - but not in full - compliance with commonly-accepted international standards, recommendations and conventions; (2) the country is still in the process of rolling out the implementation of the measure; (3) the measure is being used but on an unsustainable, short-term or ad-hoc basis; (4) the measure is implemented in some - but not all - targeted locations (such as key border crossing stations); or (5) some - but not all - targeted stakeholders are fully involved.</p>	2
<p>Pilot Stage of Implementation: a measure is considered to be at the pilot stage of implementation if, in addition to meeting the general attributes of partial implementation, it is available only to a very small portion of the intended stakeholder group (or at a certain location) and/or is being implemented on a trial basis. When a new trade facilitation measure is at the pilot stage of implementation, the old measure is often continuously used in parallel to ensure that the service is still provided even when there has been a disruption with the new measure. This stage of implementation also includes relevant rehearsals and preparation for the full implementation.</p>	1
<p>Not implemented: a measure has not been implemented at this stage. However, this stage may still include initiatives or efforts towards implementation of the measure. For example, under this stage, (pre) feasibility studies or planning for the implementation can be carried out; and consultation with stakeholders on the implementation may be arranged.</p>	0

Based on the data collected, each of the trade facilitation measures included in the survey was rated as “fully implemented”, “partially implemented”, “on a pilot basis”, or “not implemented”. A score (weight) of 3, 2, 1 or 0 were assigned to each of the four implementation stages to calculate implementation scores for individual measures across countries, regions or groups. Definitions for each stage are provided in Annex 3.

Annex 3: Definition of each Stage of Implementation

Stage of implementation	Coding/Scoring
<p>Full Implementation: the trade facilitation measure implemented is in full compliance with commonly accepted international standards, recommendations and conventions such as the Revised Kyoto Convention, UN/CEFACT Recommendations, or the WTO Trade Facilitation Agreement (TFA); it is implemented in law and in practice; it is available to essentially all relevant stakeholders nationwide, and supported by adequate legal and institutional frameworks, as well as adequate infrastructure and financial and human resources. A TFA provision included in the commitments given under Notifications of Category A may generally be considered as a measure, which is fully implemented by the country, with a caveat that the provision will be implemented by a Least-Developed Country (LDC) member within one year of the TFA agreement coming into force. If a country registers a positive response for all sub-questions concerning a given trade facilitation measure, that measure should be considered fully implemented.</p>	3
<p>Partial Implementation: a measure is considered to be partially implemented if at least one of the following is true: (1) the trade facilitation measure is in partial - but not in full - compliance with commonly accepted international standards, recommendations and conventions; (2) the country is still in the process of rolling out the implementation of the measure; (3) the measure is being used but on an unsustainable, short-term or ad-hoc basis; (4) the measure is implemented in some - but not all - targeted locations (such as key border crossing stations); or (5) some - but not all - targeted stakeholders are fully involved.</p>	2
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