

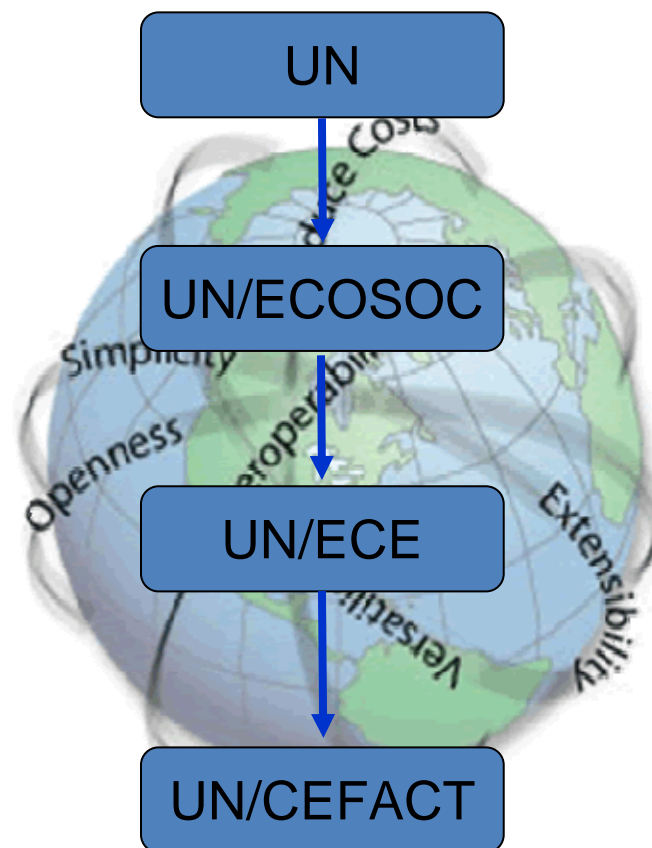


Framework of Recommendations for Trade Facilitation and Overview of current Projects

Johan Pontén, Sweden,
Chair TBG 15:



‘UN Centre for Trade Facilitation and Electronic Business *supports activities dedicated to improving the ability of business, trade and administrative organizations, from developed, developing and transitional economies, to exchange products and relevant services effectively.*”



UN/CEFACT has a Global Mandate

Participation in the UN/CEFACT Forum is open to all United Nations Member states. There are some 300 experts representing every region in the World

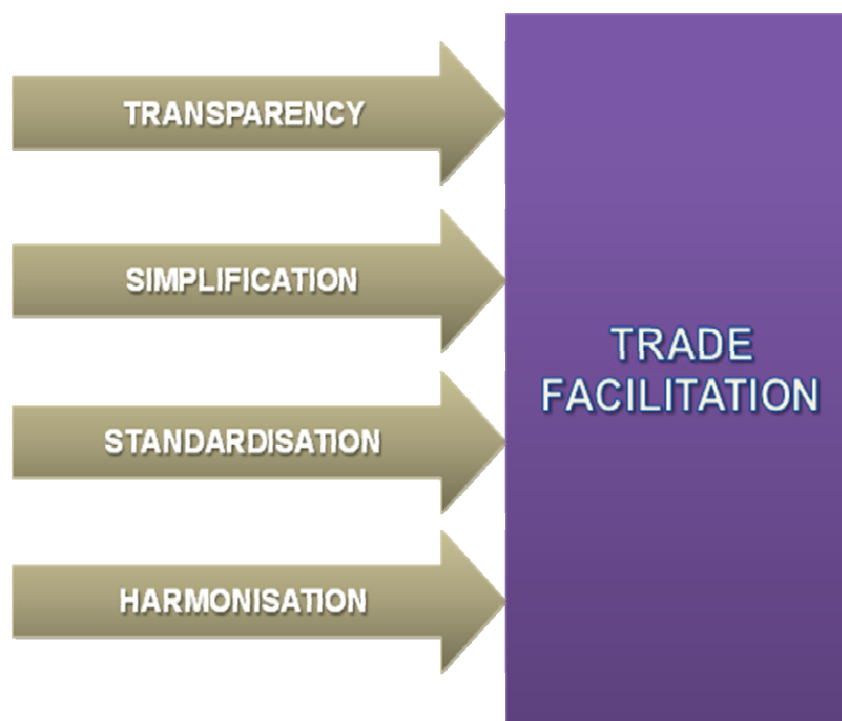
UN/CEFACT's Mission is to develop:
Simple, Transparent & Effective Processes
For Global Business, through the development of:

Trade Facilitation Recommendations &
E-Business Standards



Trade bottlenecks :

- High transaction costs in trade
 - Many documents and signatures
 - Cumbersome procedures
- Need for reform and modernization of border agencies
- Lack of transparency
- Difficult to meet requirement of international standards
- Lack of trust between public and private sector
- Ports and border-crossings are bottlenecks
- Rent-seeking and corruption



Source: National Board of Trade (2009) Trade facilitation and maritime transport



UN/CEFACT Compendium of Trade Facilitation Recommendations (34 published Recommendations)

- Recommendation 1 - UN Layout Key for Trade Documents (ISO 6422)
- Recommendation 4 - National Trade Facilitation Bodies
- Recommendation 16 - UN/LOCODE: Code for Trade & Transport Locations
- Recommendation 18 - Facilitation Measures Related to International Trade Procedures
- Recommendation 25 -Use of UN/EDIFACT (ISO 9735)
- Recommendation 33 - Recommendation & Guidelines Establishing a Single Window
- Recommendation 35 - Legal Framework for Single Windows



TBG15 – What do we do?

- Trade facilitation overview – Forum Advisory Briefing
- Developing the Work Programme and fine-tuning it according to latest developments
- Text for code lists (Rec 1, UNLAYOUTKEY,)
- Recommendations, Rec 4, 11, 12, 18, 33-36..
- Information material
- Trade Facilitation Implementation Guide
- Networking and Knowledge Dissemination
- Participation from WCO, UNCTAD, ISO, and so on

TBG15 – What do we do – right now?

- Rec 6, 34, 35 and 12
- Project on Consultation Models Recommendation
- Project Proposal on Single Window Interoperability (SWI)
- Trade Facilitation Implementation Guide (TFIG)
- Possible new items:
 - PPP, Co-ordinated Border Management, Security issues and many more
 - Revision of Recommendations 5
 - Maintenance



- UNECE Recommendation 1; ISO 6422;
- The most widely used international standard for trade documents;
- Same data and information are in the same place;
- Same format used regardless a size of paper (A4 and the U.S. legal format);
- Precondition to move to electronic documents.

LAYOUT KEY FOR TRADE DOCUMENTS				
Consignor (Exporter)		Date, Reference No., etc.		
Consignee		Buyer (if other than consignee) or other address		
Notify or delivery address		Country whence consigned		
		Country of origin		Country of destination
Transport details		Terms of delivery and payment		
Shipping marks; Container No.		Number and kind of packages; Goods description		Commodity No.
				Gross weight
				Net quantity
				Value
Free disposal				



UN Layout Key

Free disposal

Place and date of issue; Author

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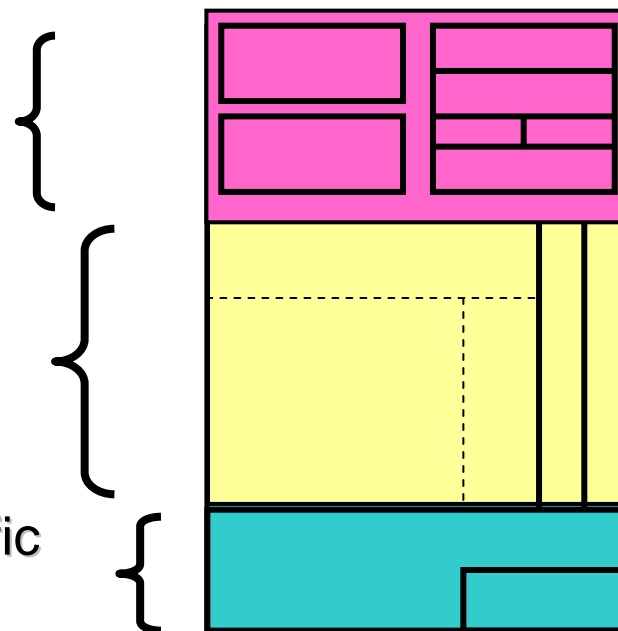
UN Layout Key (UNLK)

A standard and template for aligning international trade documents

Cross-Sector Transaction Data
(mainly business driven)

Sector Specific Detail
goods items, order line items ...

Document Function Specific
(Free Text Area)





- 19 additional UN recommendations for simplification of documents and data, including:
 - Rec 3 Country of Origin;
 - Rec 7 Numerical representation of date and time;
 - Rec 9 Currency Code;
 - Rec 16 LOCODE Codes for ports and other locations;
 - Rec 17 Payment terms;
 - Rec 19 Codes for Mode of transport;
 - Rec 20 Codes for Units of measure...;
 - Rec 21 Package code;
 - Rec 28 Means of transport.

Rec:19
Mode of Transport

Rec:16
UN/Locode

ISO Country
Code

Rec: 17
Payment
Terms

Rec:9
Currency Code

Commodity
Code

Rec: 28
Means of
Transport

Rec: 21
Package Codes

Rec:20 Units of
Measurement

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UNECS EUROPEAN COMMUNITY
EXPORT CUSTOMS DECLARATION

1 Declaration

1 Consignor / Exporter

3 Forms 4 Loading lists

5 Items 6 Total packages 7 Reference number

9 Person responsible for financial settlement No

10 Country first 11 Trading 13 CAP
destn country

14 Consignee / Representative No

15 Country of despatch / export 16 Country of origin 17 Country of final destination
a b a b

18 Identity and nationality of means of transport / departure 19 Ctr. 20 Delivery terms

21 Identity and nationality of active means of transport crossing the border 22 Currency and total amount invoiced

25 Mode of transport 26 Inland mode 27 Place of loading 28 Financial and banking data

29 Office of exit 30 Location of goods

31 Marks and numbers - Container No(s) - Numbers and kind

32 Article No. 33 Commodity code

34 Country origin code 35 Gross mass (kg)
a b a b

1 of 1



- Language independent;
- Avoids costly errors and misunderstandings;
- Uniform representation = possibility to integrate into various paper-based and electronic applications;
- Maintenance outsourced;
- Worldwide usage: by WCO, IATA, FIATA, UPU, UN/EDIFACT, UNLK etc.



Recommendation 4 on National Trade Facilitation bodies

1974/2001

- The recommendation details how PRO-organisations should be set up and how they can be run.
- Link to WTO negotiations March 2009: “checklist of indicative actions for the establishment and sustainability of a multi-agency working group on trade facilitation”.
- These mechanisms may be called, for example, collaborative platforms, task forces, inter-institutional working groups or trade facilitation committees.
- Why are Consultations needed?
 - Structured information on how trade develops and how rules affect it
 - Un-coordinated measures for trade procedures risk creating one problem while solving another
 - Trade facilitation helps building the economy and attract investors
- Proposed Rec on Consultation Models: Focus on preparations

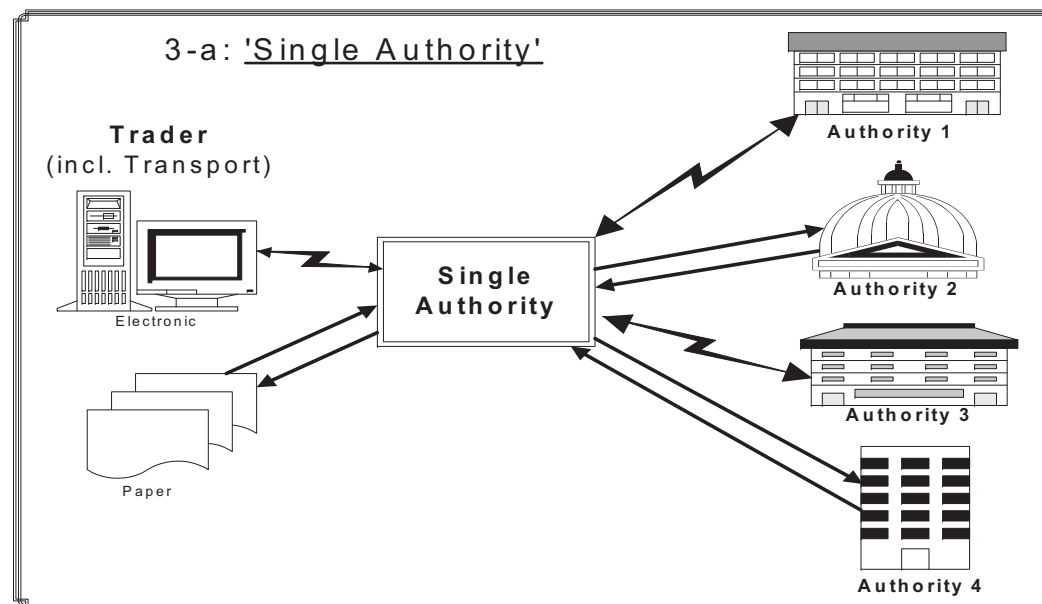


- Rec 6, Aligned Invoice Layout Key for International Trade. Annex to accommodate e-Invoicing (For plenary 2010)
- Rec 11, Documentary Aspects of the Transport of Dangerous Goods (rev 2008)
- Rec 12, Measures to Facilitate Maritime Transport Documents Procedures (under revision)

- Rec 33 Recommendation and Guidelines on establishing a Single Window
- Draft Rec 34 Data Simplification and Standardization for International Trade
- Draft Rec 35 Establishing a legal framework for international trade Single Window
- Project Proposal Draft Rec 36 Single Window Interoperability



- Rec 33 Several models for Single Window: Single authority, Single Automated System, Automated information transaction system
- Single Window is a Process not a Machine!





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Single Window Family

- Survey of existing and planned Single Windows in 20 countries to determine:
 - current practices;
 - structures;
 - products and services; and
 - funding mechanisms.
- Develop a UN CEFACT Recommendation and Guide based on the research and analysis of the survey results.



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Single Window Family

- Governments and those involved in the international trade and movement of goods to consider implementing a Single Window facility that allows:
- parties to lodge standardised information and documents with a single entry point to fulfil all export, import and transit related regulatory requirements
- if the information is electronic, then individual data elements should only be submitted once



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Single Window Family

- The sharing of all information supported by a legal framework that provides privacy and security in the exchange of information
- Co-ordinate the controls of the various governmental authorities, where appropriate
- Facilities to receive payment of duties and other charges
- The single entry point to provide access to trade related government information



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Single Window Family

- Proceed with the setting up of a Single Window facility at the national level through a collaborative effort with all relevant governmental authorities and the business community
- Give full consideration to the guidelines attached to the present recommendation in the establishment of their Single Window facility



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Single Window Family

Recommendation 33 The Guidelines

- Overview description of a Single Window
- Common models for a Single Window
- Benefits of a Single Window
- Practical steps in planning and implementing a Single Window
- Key factors for a successful Single Window



Recommendation 34 recommends
data simplification and standardization by:

- **Capturing** existing requirements into a national trade data inventory
- **Defining** the individual data elements
- **Analyzing** the need for, and context of the data requirements
- **Reconciling** the national trade data inventory with international standards

TO PRODUCE A SIMPLIFIED, STANDARDIZED NATIONAL DATA SET
FOR THE EXCHANGE OF INFORMATION WITH A SINGLE WINDOW
FACILITY

Recommendation 34

- a simple, easy-to-use and cost effective 4 stage process to achieve the objective of a national simplified and standardised dataset.
- Following the simplification and standardisation process described a government should be able to reduce the regulatory and official information requirements through the elimination or duplication of submissions and the removal of redundant data elements.
- The outcome of the process should be a more efficient and effective exchange of information between Trade and Government

Recommendation 35:

- Essential to all Single Window operations is the transparency and security of trade data information exchange. A sound legal regime, which enables data collection, access and distribution and clarifies confidentiality, privacy and liability regimes, makes it possible to create a solid basis for the operation of the facility, and build a relationship of trust between all stakeholders



Proposed Rec 36: Single Window Interoperability

- Single point of submission at the national level only meet partial requirement of the entire trade value chain.
- Physical business and trade documents still need to be generated in order to fulfil the need of the counterparts and authorities across the border.
- Such requirements have decreased the effectiveness and efficiency of Single Window.
- Increasing demands for interconnectivity with other Single Windows, be it bilateral or regional.



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Conclusion

There is still a lot of work to do!

Please join TBG 15!

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