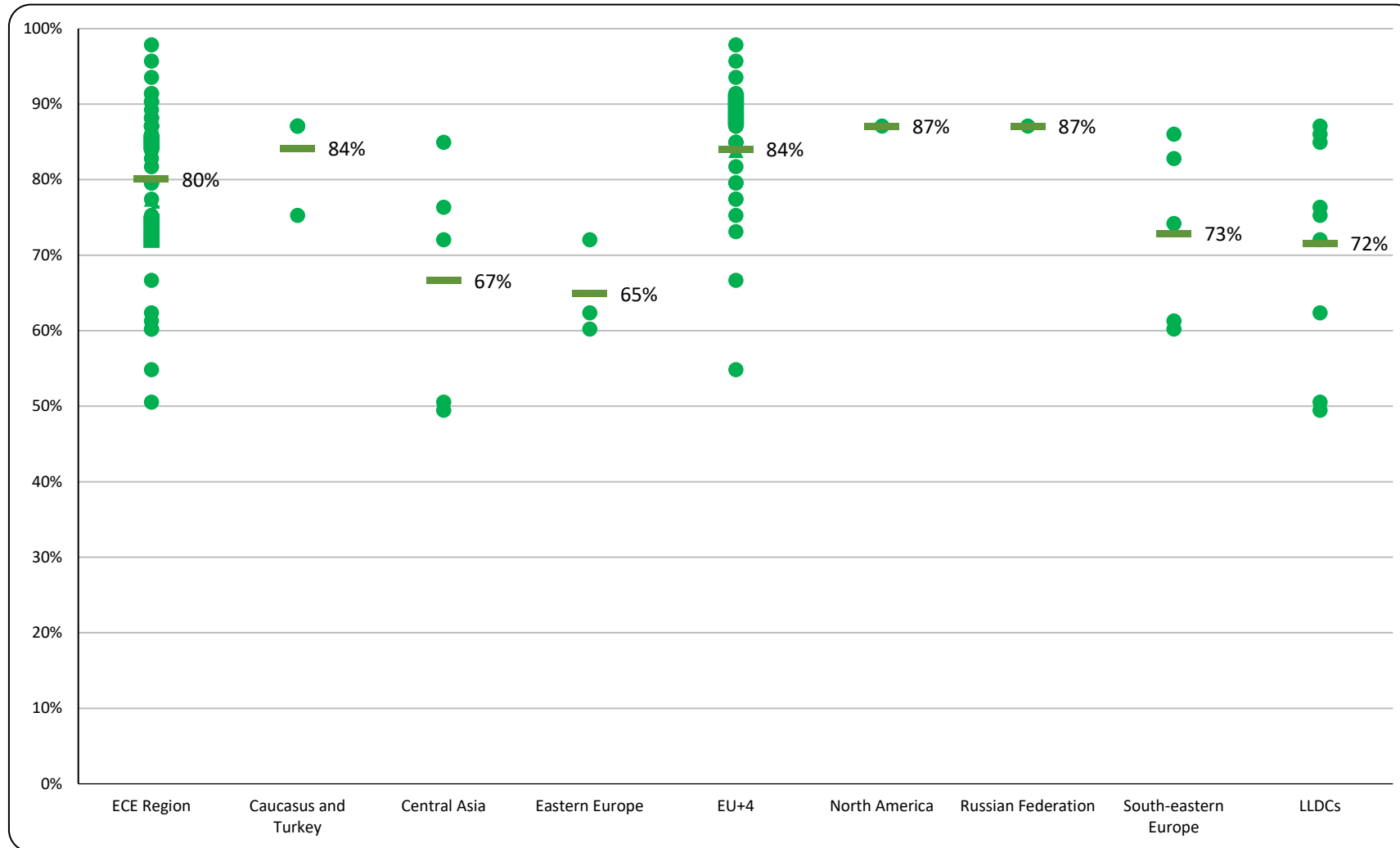


Item 7. Trade facilitation: findings from Business Process Analyses

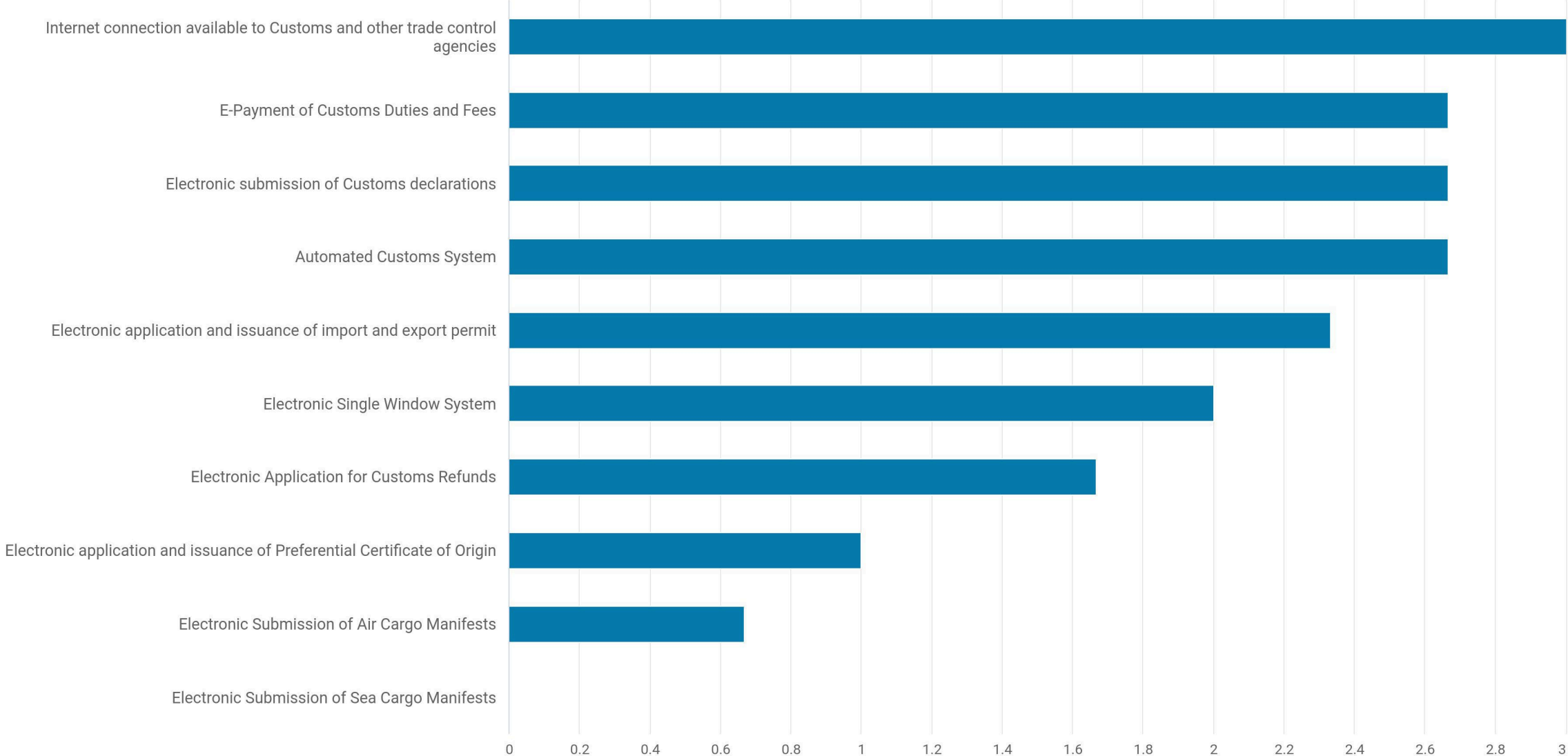


Global trade facilitation conditions

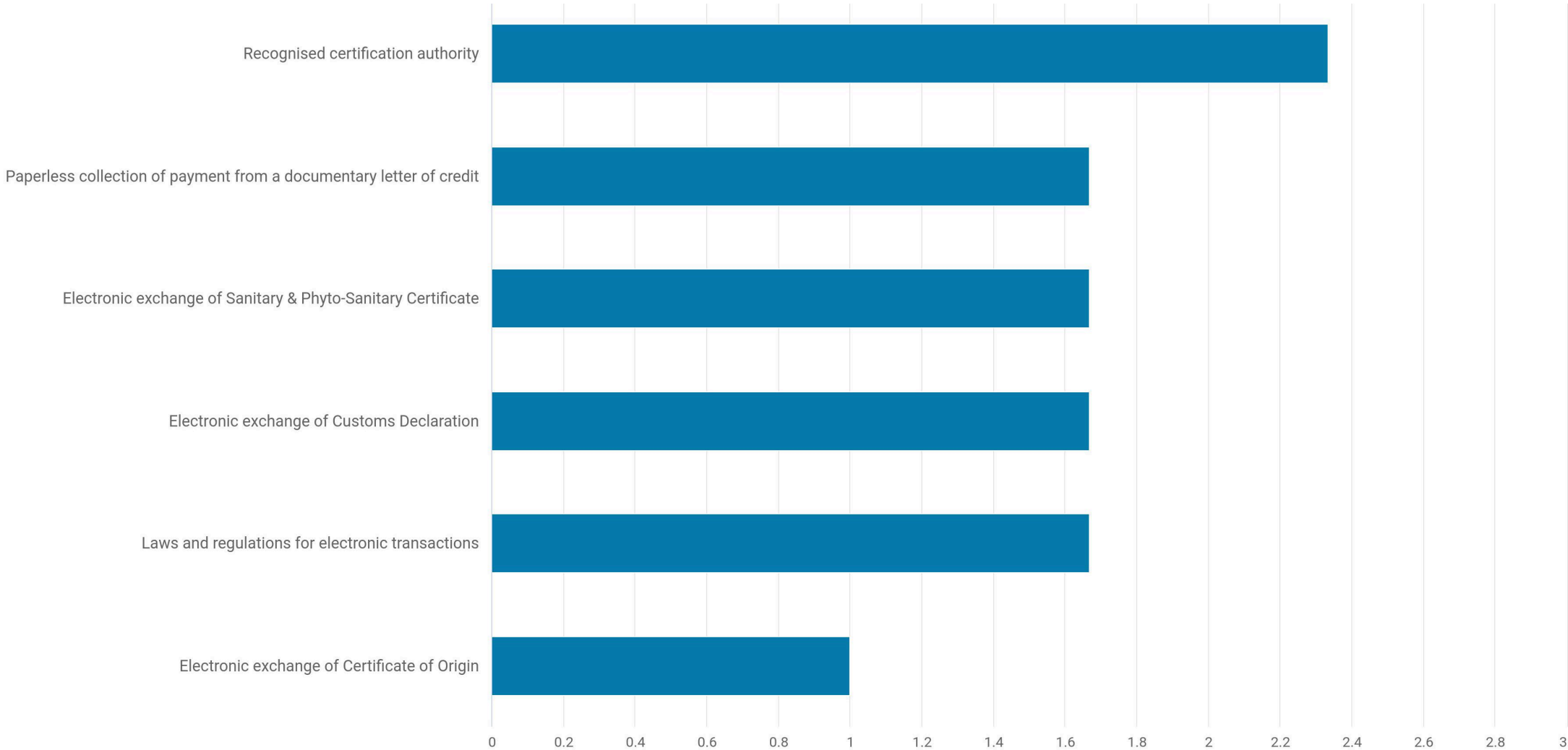


Source: UNECE, based on United Nations Global Survey on Digital and Sustainable Trade Facilitation, 2023

Paperless Trade measures implementation, 2023 (average for Armenia, Kazakhstan and Kyrgyzstan)



Cross-border Paperless Trade measures implementation, 2023 (average for Armenia, Kazakhstan and Kyrgyzstan)



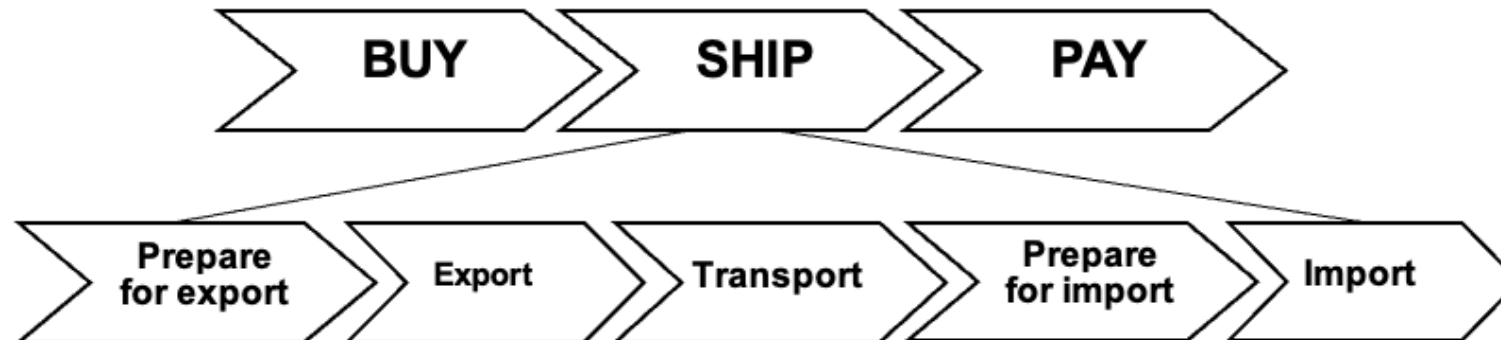
Degree of implementation (0 = not implemented; 3 = fully implemented)
Source: UN Global Survey on Digital and Sustainable Trade Facilitation 2023 | UNTF SURVEY.ORG

Business Process Analysis (BPA) to identify sector-specific challenges



BPA outlines the export steps, requirements and regulations in relation to selected products and identify the bottlenecks and time-consuming procedures.

UN/CEFACT “Buy-Ship-Model”



Trade Facilitation in Armenia, Kazakhstan and Kyrgyzstan: overview of the progress and challenges



	Armenia	Kazakhstan	Kyrgyzstan
Trade facilitation score (based on UN Survey)	75.27% in 2023 (up from 59.14% in 2021)	76.34% in 2023 (up from 70.97 % in 2021)	72.04% in 2023 (up 14.5% from 2021)
Main challenges	Lengthy registration for EU export eligibility, high quality and safety requirements, lack of electronic data exchange	Logistical issues with rail transport, border crossing inefficiencies, lack of electronic data exchange with China	Phytosanitary certificate delays, border inefficiencies, transit route unreliability
Shared challenges	Documentation delays, stringent export requirements		
Areas for improvement	Emphasis on digital trade processes, complex EU compliance	Improvements in rail transport needed, border inefficiencies	Focus on agricultural exports, facing border and transit issues

Snapshot to the main finding: BPA of fish products from Armenia to France



<p>Average Export Process Duration:</p>	<ul style="list-style-type: none"> • Entire process takes 33 days on average • Longest duration involves transportation across the Mediterranean Sea from Mersin, Turkey to Fos-sur-Mer, France 	<p>Remaining Bottlenecks:</p>	<ul style="list-style-type: none"> • Transportation Issues: <ul style="list-style-type: none"> - Time-consuming and expensive process • Labelling Requirements: <ul style="list-style-type: none"> - Complex requirements for ready-to-consume packages when exporting to the EU • Regulatory Processes: <ul style="list-style-type: none"> - Complicated and lengthy process to include a producer in the Register of enterprises approved for EU exports • Cross-Border Coordination: <ul style="list-style-type: none"> - Limited coordination and lack of trust - Non-recognition of electronic documents issued by another country • Documentation Requirements: <ul style="list-style-type: none"> - Continuous need for paper shipping documents (originals or copies)
<p>Cost of Exporting Fish Products:</p>	<ul style="list-style-type: none"> • Average cost: USD 3500 per container from Armenia to France 		

Snapshot to the main finding: BPA of vegetable oil from Kazakhstan to China



Average Export Process Duration:

- Entire process takes **27 days** on average.
- Key stages with the longest duration: preparation for transportation of goods by rail and obtaining the conformity certificate

Cost of Exporting vegetable oil:

- **USD 1200** per railway wagon from Kazakhstan to China

Remaining Bottlenecks:

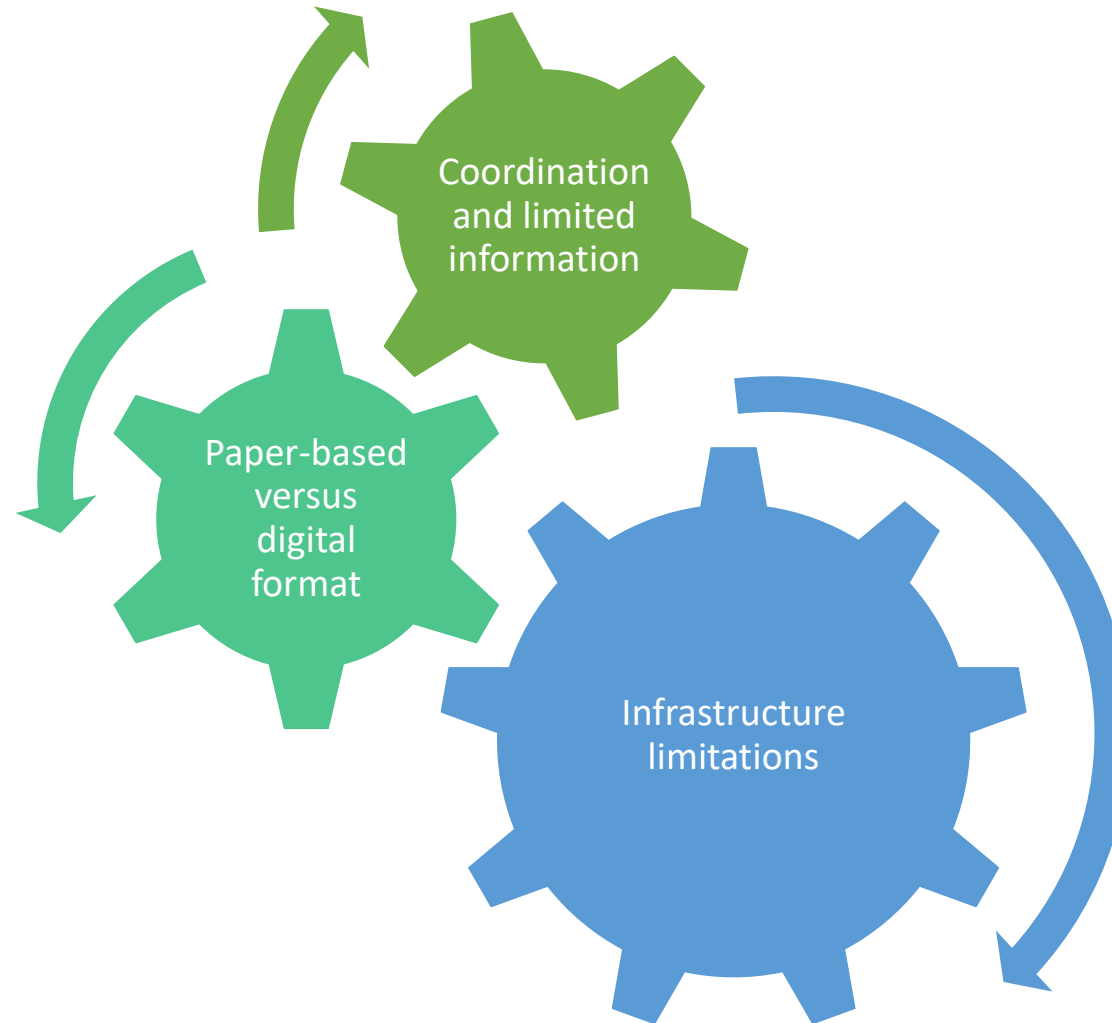
- **Logistical Infrastructure:**
 - Limited facilities for transporting oilseed products to China
- **Cross-Border Coordination:**
 - Limited coordination and lack of trust in electronic documents issued by other countries
- **Document Requirements:**
 - Continuous requirement for paper shipping documents (originals or copies)
 - Use of paper-based contracts
- **Electronic Document Management:**
 - Absence of electronic document management for business-to-business interactions (e.g., organization of transportation, cargo insurance, customs broker contracts)
- **Monitoring Mechanisms:**
 - Lack of systems to track loading and unloading processes at border crossings and railway stations.

Snapshot to the main finding: BPA of dried apricots and prunes from Kyrgyzstan to Kazakhstan and Germany



Average Export Process Duration:	<ul style="list-style-type: none"> • 18 days (Kazakhstan) • 36 days (Germany) • Longest time needed for transportation 	Remaining Bottlenecks:	<ul style="list-style-type: none"> • Time and Cost: <ul style="list-style-type: none"> - Time-consuming and expensive process - Delays in obtaining phytosanitary certificates • Infrastructure: <ul style="list-style-type: none"> - Limited facilities to obtain phytosanitary certificates (available only in specific regions) • Transit Route: <ul style="list-style-type: none"> - Unpredictability of the transit route Kyrgyzstan-Kazakhstan-Russian Federation • Certification Costs: <ul style="list-style-type: none"> - Additional costs for acquiring food safety and organic produce certifications when exporting to the EU • Labelling Requirements: <ul style="list-style-type: none"> - Complex labelling requirements for exports of ready-to-consume packages to the EU • Production Limitations: <ul style="list-style-type: none"> - Limited production of organic produce
Cost of Exporting dried fruit:	<ul style="list-style-type: none"> • From Kyrgyzstan to Kazakhstan: USD 1000 • From Kyrgyzstan to Germany: USD 6800 (excluding costs for food safety/organic certification if required by importer) 		
Advantages:	<ul style="list-style-type: none"> • Participation in the Eurasian Economic Union (EAEU) • GSP+ status for exports to the EU 		

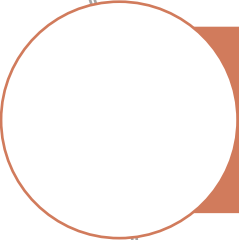
Main areas requiring further action and capacity-building support



Selected recommendations for the way forward: from paper-based to digital format



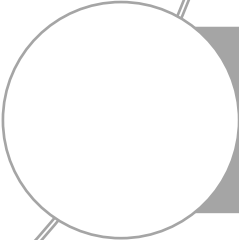
Promote the use of electronic contract function in the "single window" (e.g. for Kazakhstan).



Eliminate the practice of state bodies requiring participants in foreign economic activity to provide paper originals or copies of shipping documents, as well as documents issued by other bodies in the cases of integrated systems.

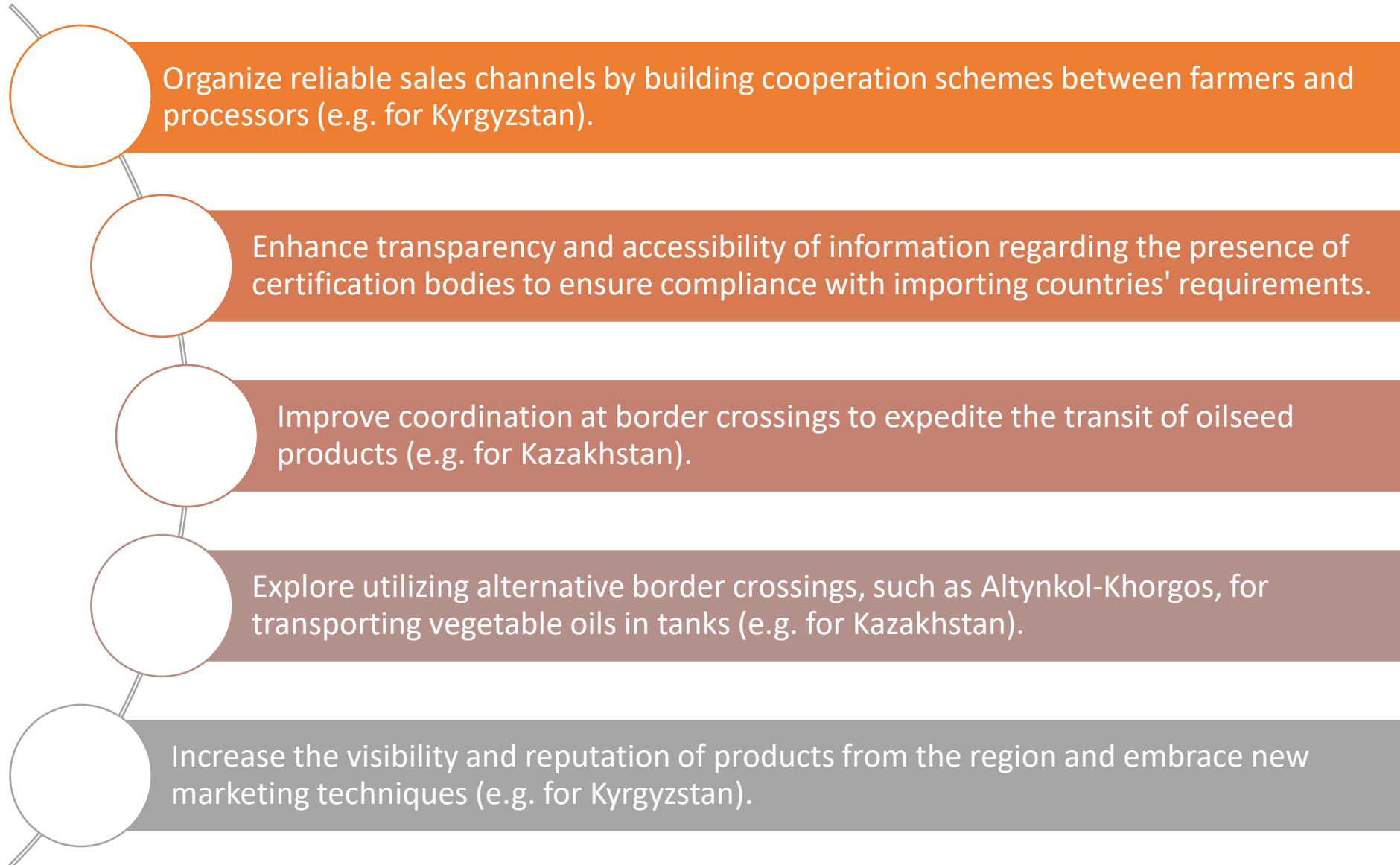


Implement a system for continuous monitoring of logistical processes and make necessary adjustments based on real-time data.

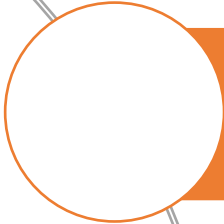


Promote the conclusion of intergovernmental and interdepartmental agreements with third countries on the electronic exchange of documents in the field of agriculture and transport.

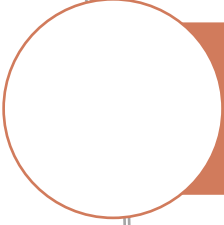
Selected recommendations for the way forward: enhancing coordination and improving the information base



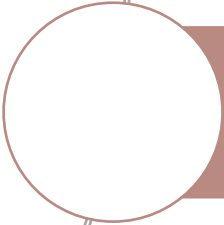
Selected recommendations for the way forward: enhancing infrastructure



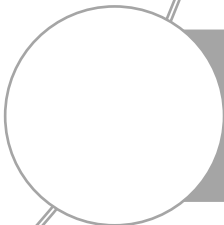
Conduct an assessment of existing infrastructure (laboratories, digital infrastructure), engaging stakeholders to plan improvements, and implement upgrades according to a phased plan.



Invest in upgrading railway facilities, including loading and unloading stations, to enhance the efficiency of oilseed product transportation (e.g. for Kazakhstan).



Expand the laboratories to obtain phytosanitary certificates without delay and invest in capacity-building of staff.



Consider introducing navigation seals for cargo transportation to facilitate optimized logistics by minimizing state control measures while ensuring absolute transparency throughout the EAEU.

Further support by UNECE



- UNECE inter-governmental discussions:
 - Steering Committee on Trade Capacity and Standards
 - United Nations Centre for Trade Facilitation and Electronic Business (UN/CEFACT)

Selected examples of UNECE tools
UN/CEFACT Recommendation 33: Single Window
UN/CEFACT Recommendation 38: Trade Information Portals
UN/CEFACT Recommendation 41: Public-Private Partnerships in Trade Facilitation
Implementing UN/CEFACT e-Business standards in agricultural trade: A handbook for policy makers and project managers (ECE/TRADE/428)
UNECE/UNESCAP, Information Management in Agrifood Chains: Towards an Integrated Paperless Framework for Agrifood Trade Facilitation
UN/CEFACT Business Requirements Specification (BRS) Cross-Border Management RDM, 2021
UN/CEFACT Rapid Alert System for Food and Feed, 2020
UN/CEFACT Electronic SPS Certificate (eCERT), 2010