

Digital and Sustainable Trade Facilitation

in Central Asia Regional Economic Cooperation (CAREC) 2021

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





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EXECUTIVE SUMMARY

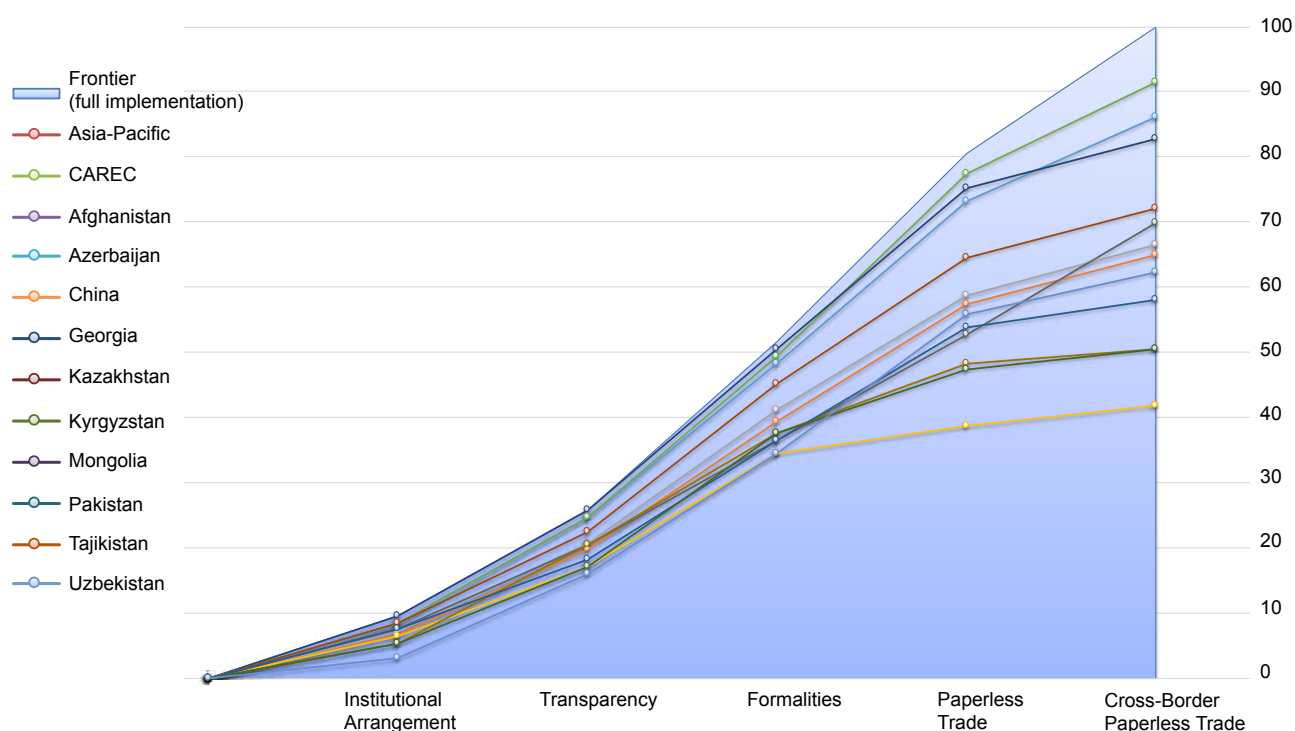
Reducing trade costs is essential in enabling economies to participate in regional and global value chains effectively and for them to continue using trade as an important engine of growth and sustainable development. The disruption of the international supply chain associated with the Covid-19 pandemic as well as the recent surge in shipping costs have put upward pressure on already high trade costs in Central Asia. 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 ten countries members of the Central Asia Regional Economic Cooperation Program (CAREC), namely Afghanistan, Azerbaijan, China, Georgia, Kazakhstan, Kyrgyzstan, Mongolia, Pakistan, Tajikistan and Uzbekistan. It presents a detailed analysis based on 58 trade facilitation measures which are classified into four groups ("General Trade Facilitation", "Digital Trade Facilitation", "Sustainable Trade Facilitation", and "Other Trade Facilitation") and further 11 sub-groups covering both binding and non-binding WTO TFA measures and measures beyond the scope of WTO TFA+. The report reveals that:

- Average trade facilitation implementation rate in CAREC has increased by 9 percentage points, from 58% in 2019 to 67% in 2021, a remarkable progress amidst the COVID-19 pandemic. CAREC average implementation is slightly higher than the Asia-Pacific regional average (64.9%).
- Implementation level in CAREC is quite heterogeneous. The Trade facilitation implementation of China reaches global leading level, standing over 90%, followed by Azerbaijan and Georgia (86% and 83%, respectively). In contrast, Afghanistan stands at only 42%, lagging far behind the average implementation rate in this subregion.
- CAREC countries have made progress across essentially all general and digital trade facilitation measures. They made the most progress in implementing 'Cross-Border Paperless Trade' measures between 2019 and 2021, although implementation rates remains still low at approximately 40%, showing there is still plenty of room for improvement, primarily through regional cooperation.
- When it comes to "Sustainable Trade Facilitation" measures, CAREC countries are actively implementing measures regarding 'Agricultural Trade Facilitation'. The implementation of inclusive measures to promote SMEs is relatively high as well – trade facilitation policies supporting SMEs are of critical importance in achieving sustainable trade facilitation. In contrast, implementation of trade facilitation measures supporting women is relatively low.
- 'Trade Facilitation in Times of Crisis' measures are relatively well implemented with implementation rate at approximately 60%, higher than regional average level), but better preparation for ongoing and future crises should be a policy priority for countries that have not yet started making such plans.
- Implementation rate of 'Trade Finance Facilitation' measures is approximately 32%, making it the least implemented sub-group. There is a need for greatly enhanced coordination and cooperation between traditional trade facilitation actors and those involved in developing financial and payment services.

The report suggests that most trade cost reductions are associated with paperless trade measures rather than conventional trade facilitation measures. Implementing both binding and non-binding WTO TFA measures could result in a 4-9% decrease in trade costs. In contrast, digital trade facilitation measures enabling the seamless electronic exchange of trade data and documents across borders could result in a reduction of about 17% in a full implementation scenario. For countries to reap the benefits from digital trade facilitation, the Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific (CPTA) could support countries by providing a dedicated, inclusive and capacity-building focused intergovernmental platform. The CPTA entered into force in February 2021 and all eligible countries that have not yet done so are encouraged to accede to the treaty as soon as possible as its implementation begins in 2022.

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, untfsurvey.org, 2021

This CAREC report is best 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 made available at <https://untfsurvey.org/>.

ACKNOWLEDGEMENTS

The CAREC Report is part of a global survey effort on the implementation of trade facilitation and paperless trade measures, undertaken jointly by the five United Nations Regional Commissions for Africa (ECA), Europe (ECE), Asia and the Pacific (ESCAP), Latin America and the Caribbean (ECLAC) and West Asia (ESCWA). It was launched at the CAREC Conference on Digital Trade and Innovations on 23 September 2021.

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Inputs to the expert group meeting on trade facilitation in times of crisis and epidemic in the Asia-Pacific region (virtual, July 2020) as well as the results from the pilot survey on trade facilitation in times of crisis and pandemic (conducted in 2020 with the Asia-Pacific results published in a regional report in January 2021), contributed to the development of the additional measures on trade facilitation in times of crisis. In addition, comments and suggestions received from participants at the Launch of the United Nations Global Survey on Digital and Sustainable Trade Facilitation 2021 (virtual, July 2021), where the 2021 Survey results were presented, are gratefully acknowledged. The authors are also grateful to the following organizations and individuals for their inputs and suggestions for the development of the 2021 Survey: Alexander R. Malaket, formerly of the International Chamber of Commerce (ICC) Banking Commission and Andrew Wilson from the ICC for the trade finance facilitation component; Candice White from the World Economic Forum (WEF); and Alexandre Larouche-Maltais and Sijia Sun from UNCTAD for the women in trade facilitation component. The research assistance provided by Ruixin Xie, Yifan Tan and Linyi Chen in data collection and finalizing the report is appreciated. Anisa Hussein edited and formatted the report. Arom Sanguanyuang created the cover design.

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ABBREVIATIONS

ACDD	Asean Customs Declaration Document
ADB	Asian Development Bank
AEO	Authorized Economic Operator
ASEAN	Association of Southeast Asian Nations
ASW	ASEAN Single Window
ASYCUDA	Automated System For Customs Data
CAREC	Central Asia Regional Economic Cooperation
CPTA	Cross Border Paperless Trade in Asia
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
ESCAP	United Nations Economic and Social Commission for Asia and the Pacific
ESCWA	United Nations Economic and Social Commission for Western Asia
EU	European Union
GATT	General Agreement on Tariffs and Trade
ICC	International Chamber of Commerce
ICT	Information and Communications Technology
ISPM	International Standards for Phytosanitary Measures
IMF	International Monetary Fund
ITC	International Trade Centre
LDC	Least Developed Country
LLDC	Landlocked Developing Country
NTFC	National Trade Facilitation Committee
OCO	Oceania Customs Organization
OECD	Organization for Economic Co-operation and Development
PIDE	Pacific Island Developing Economy
SAARC	South Asian Association for Regional Cooperation
SIDS	Small Island Developing States
SPS	Sanitary and Phytosanitary
TFA	Trade Facilitation Agreement
TIID	Trade, Investment and Innovation Division
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 in Asia and the Pacific
UNRC	United Nations Regional Commissions
VPoA	Vienna Programme of Action
USA	United States of America
WCO	World Customs Organization
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, comprehensive non-tariff trade costs between the North and Central Asian economies are significantly higher than the costs of trading goods among the three largest European Union economies (111% tariff-equivalent vs 41% tariff-equivalent) or those between China, the Republic of Korea and Japan (57% tariff-equivalent).

Recent studies suggest that much of the trade cost reductions achieved over the past decade have been through the elimination or lowering of tariffs. Therefore further trade cost reduction will have to come from tackling non-tariff sources of trade costs, such as inefficient transport and 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 Central Asia Regional Economic Cooperation Program (CAREC) of the fourth United Nations Global Survey on Digital and Sustainable Trade Facilitation, conducted between January and July 2021.¹

1. Turkmenistan did not participate in the survey in 2021, hence not included in the analysis.

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

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

Source: ESCAP-World Bank Trade Cost Database, updated June 2021. Available from <https://artnet.unescap.org/databases-es#tradecost>.

Notes: Trade costs may be interpreted as tariff equivalents. Percentage changes in trade costs between 2008-2013 and 2014-2019 are in parentheses.

ASEAN-4: Indonesia, Malaysia, Philippines, Thailand; East Asia-3: China, Japan, Republic of Korea; EU-3: Germany, France, United Kingdom; SAARC-4: Bangladesh, India, Pakistan, Sri Lanka; PIDEs-3: Fiji, Tonga, Samoa; North and Central Asia: Georgia, Kazakhstan, Kyrgyzstan, Russian Federation.

1.2 Survey Instrument and Methodology

The UN Global Survey on Digital and Sustainable Trade Facilitation 2021 (formerly known as the Global Survey on Trade Facilitation and Paperless Trade Implementation) was prepared according to the final list of commitments included in the WTO Trade Facilitation Agreement (TFA) supplemented by forward-looking measures thought to be implemented under the UN treaty – the Framework Agreement on Facilitation of Cross-Border Paperless Trade in Asia and the Pacific.²

The survey covers 58 trade facilitation measures commonly used by five UN Regional Commissions (UNRC). The 58 common measures are classified into four groups with eleven sub-groups. The first group of "General Trade Facilitation Measures" includes many WTO TFA measures with sub-groups of 'Transparency', 'Formalities', 'Institutional Arrangement and Cooperation', and 'Transit Facilitation'. The second group of "Digital Trade Facilitation Measures" includes two sub-groups: 'Paperless Trade', and 'Cross-Border Paperless Trade'. The third group of "Sustainable Trade

2. <https://www.unescap.org/resources/framework-agreement-facilitation-cross-border-paperless-trade-asia-and-pacific>

Facilitation Measures" includes three subgroups: 'Trade Facilitation for SMEs', 'Agricultural Trade Facilitation', 'Women in Trade Facilitation'. "Other Trade Facilitation", the fourth and newly added group, includes two sub-groups 'Trade Finance for Trade Facilitation'³ 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. However, their implementation in many cases would support better implementation of the TFA and in digital form. 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 2017. Most of these measures are not specifically included in the WTO TFA, except for some 'Agricultural Trade Facilitation' measures. Given

its importance as an enabler of international trade transactions, 'Trade Finance Facilitation' measures are incorporated in 2021 survey. Also, 'Trade Facilitation in Times of Crisis' measures are added to 2021 survey in order to gather information on the implementation of short-term measures in response to the COVID-19 pandemic as well as long-term measures in preparation for future crises and pandemics (annex 1).

Based on the data collected, with a three-step approach for data collection and validation (annex 2), each of the trade facilitation measures included in the survey was rated as "fully implemented", "partially implemented", "pilot stage of implementation", 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 to calculate implementation scores for individual measures across countries, regions, or groups.

3. Trade finance facilitation was an optional sub-group in the 2019 survey and three regional commissions: UN ESCAP, UN ESCWA and UN ECE used this optional sub-group in their survey. In 2021, this sub-group is developed in cooperation with the International Chamber of Commerce (ICC) and surveyed across all regions.

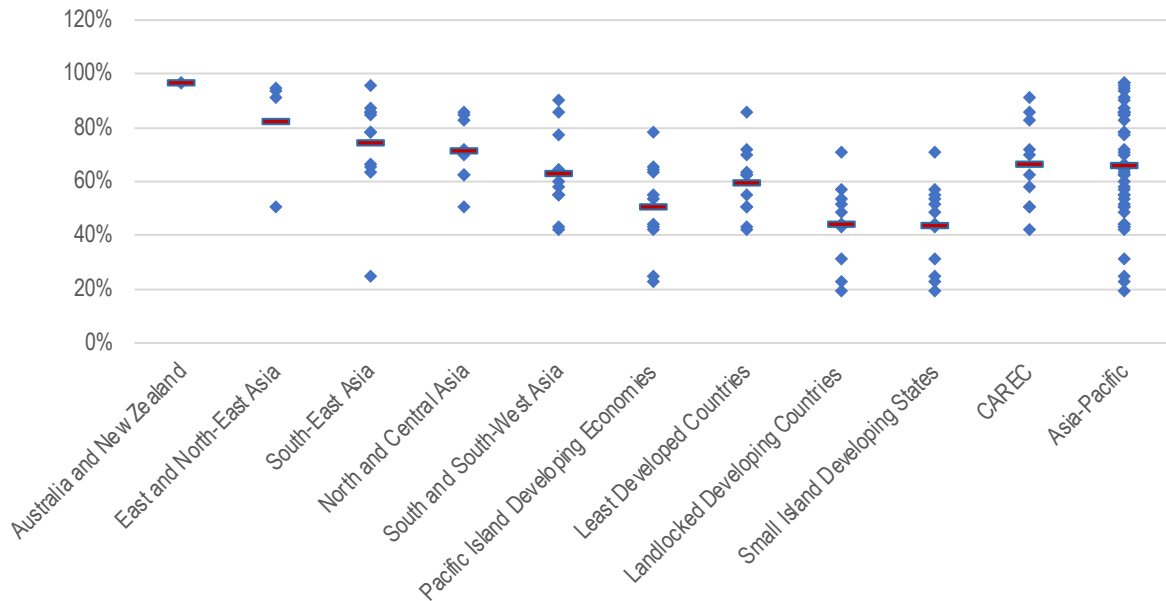


2

Trade Facilitation Implementation in CAREC: Overview

The UN Global Survey on Digital and Sustainable Trade Facilitation 2021 reveals that the average implementation of a common set of 31 trade facilitation and paperless trade measures by CAREC countries stands at 66.6%, slightly higher than the Asia-Pacific regional average of 64.9%. Within the region, the implementation level of CAREC countries as a whole comes after Australia and New Zealand, East and North-East Asia, South-East Asia, and North and Central Asia (figure 1).

Figure 1: Trade facilitation implementation in Asia-Pacific sub-regions including CAREC

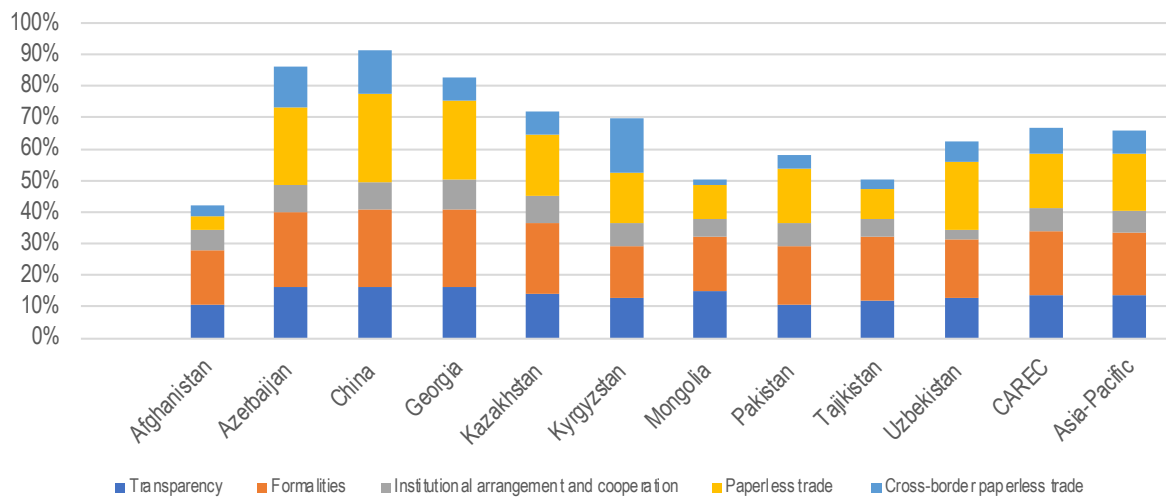


Source: UN Global Survey on Digital and Sustainable Trade Facilitation, untfsurvey.org, 2021

Figure 2 reveals that the overall implementation levels of CAREC countries differ significantly. China achieves the highest implementation rate, exceeding 90%, followed by Azerbaijan and Georgia, both standing over 80%. The

implementation rates of Kazakhstan and Kyrgyzstan stand at 72% and 70%, respectively, higher than the regional average. Afghanistan is the country with the lowest implementation rate at 42%.

Figure 2: Overall implementation of trade facilitation measures in CAREC countries



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

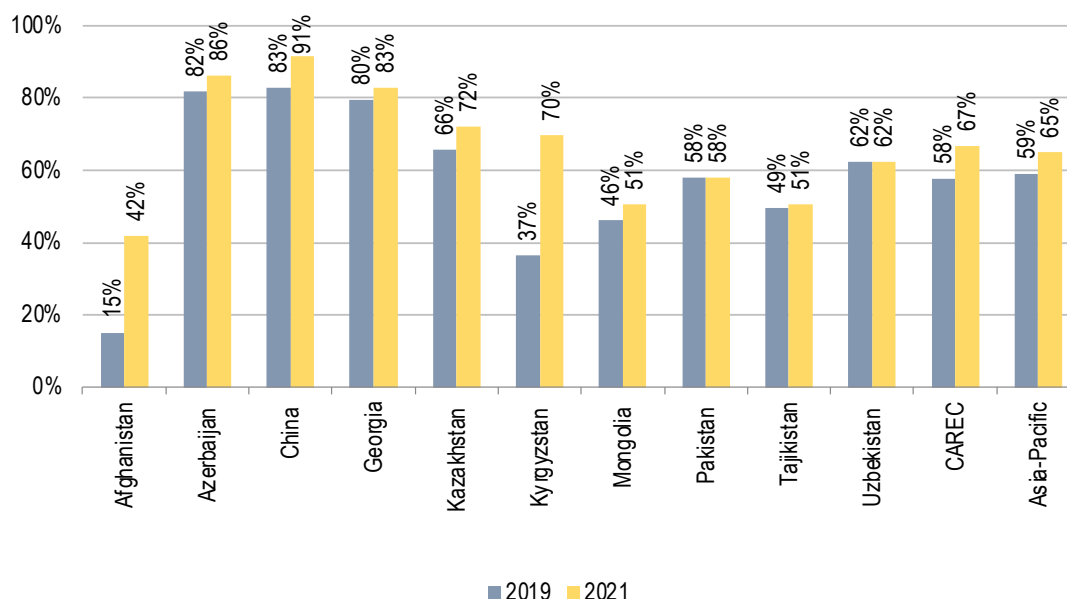
Note: Implementation rate based on a WTO TFA+ set of 31 trade facilitation and paperless trade measures from the UN Global trade facilitation survey.

2.1 Progress in Implementation Between 2019 and 2021

Progress has been made between 2019 and 2021 in CAREC as a whole. The average trade facilitation implementation rate has increased by 9 percentage points, from 58% in 2019 to 67% in 2021. The highest progress is recorded in

Kyrgyzstan, whose implementation rate increased by 33 percentage points (from 37% in 2019 to 70% in 2021), followed by Afghanistan (from only 15% in 2019 to 42% in 2021). Pakistan and Uzbekistan made the least progress among CAREC countries. As shown in figure 3, the overall trade facilitation implementation rate in CAREC countries (67%) is slightly higher than that of the Asia-Pacific (65%).

Figure 3: Trade facilitation implementation by CAREC countries between 2019 and 2021

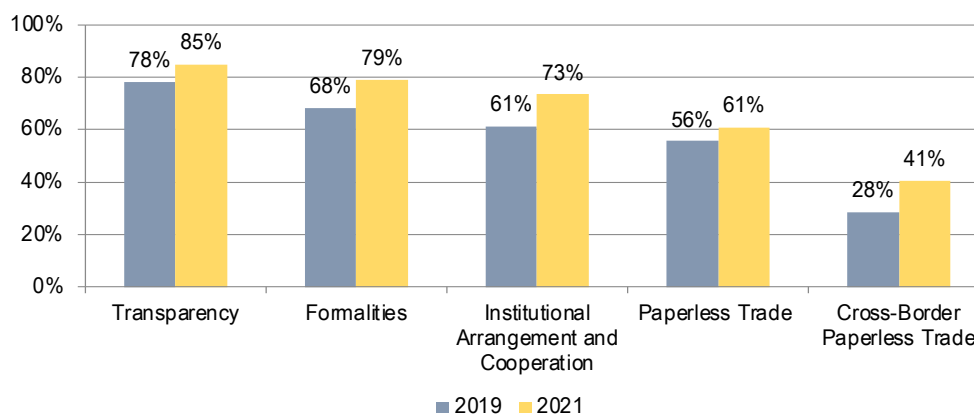


Source: UN Global Survey on Digital and Sustainable Trade Facilitation, untfsurvey.org, 2021

CAREC countries made the most progress in implementing 'Cross-border paperless trade' related measures between 2019 and 2021: implementation rates rose by 13 percentage points (from 28% in 2019 to 41% in 2021). Implementation rates of 'Institutional arrangement and cooperation' sub-group and 'Formalities' sub-groups increased significantly by 11 percentage

points (from 61% in 2019 to 73% in 2021) and 12 percentage points (from 68% to 79%) respectively, while implementation rate of 'Transparency' sub-groups rose by 7 percentage points. CAREC countries made the smallest progress (5 percentage points) in implementing 'Paperless trade' sub-groups, from 56% in 2019 to 61% in 2021 (figure 4).

Figure 4: Average implementation of different groups of trade facilitation measures in CAREC countries between 2019 and 2021



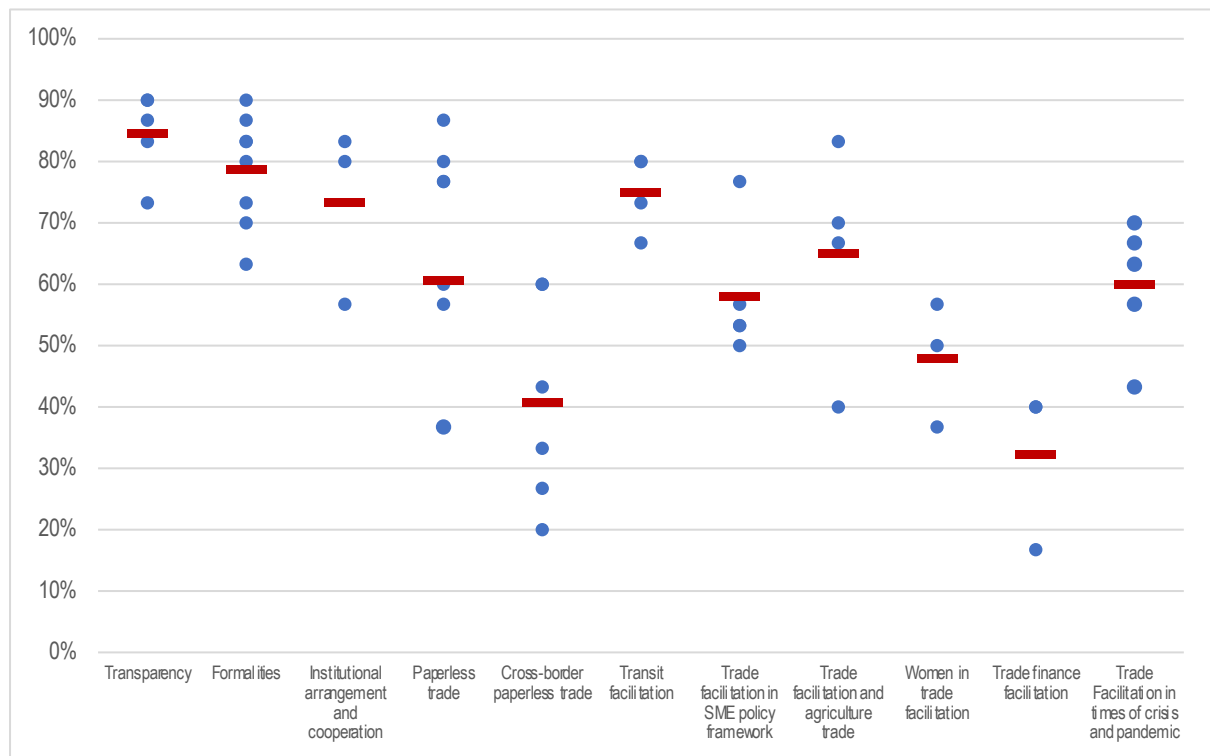
Source: UN Global Survey on Digital and Sustainable Trade Facilitation, untfsurvey.org, 2021

2.2 Most and Least Implemented Measures by CAREC Countries

CAREC countries have implemented trade facilitation measures within 'Transparency' sub-group to a large extent: implementation rate of this sub-group is at almost 85%, followed by 'Formalities' sub-group, standing at nearly 80%. 'Transit' and 'Institutional Arrangement and Cooperation' sub-groups also have a relatively high implementation rate, standing over 70%.

Measures related to 'Paperless Trade' and 'Agricultural Trade Facilitation' sub-groups both surpassed 60%. 'Cross-border Paperless Trade' is still a challenge (approximately 40%), suggesting room for improvement. Implementation of trade facilitation measures for women and SMEs stand at 58% and 48%, respectively. 'Trade Finance Facilitation' sub-group measures are the least implemented group of measures, standing at slightly over 32%. Moreover, as a newly added sub-group, the implementation level of 'Trade Facilitation in Times of Crisis' is worth appreciating, standing at approximately 60%.

Figure 5: Implementation of different groups of trade facilitation measures by CAREC countries



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

Table 2 provides information on the most and least implemented trade facilitation measures under each sub-group included in the survey. For example, the most implemented measure in the 'Transparency' sub-group is advance publication/notification of new trade-related regulations before their implementation'. All CAREC countries have implemented this measure on a pilot basis,

while full implementation takes place in 80% of the CAREC members. 'Electronic exchange of Sanitary & Phyto-Sanitary Certificate' is the least implemented measure in the 'Cross-border Paperless Trade' sub-group. Only 30% of the CAREC countries have, to some extent, implemented this measure.

Table 2: Most and least implemented measures in each sub-group of trade facilitation measures by CAREC countries

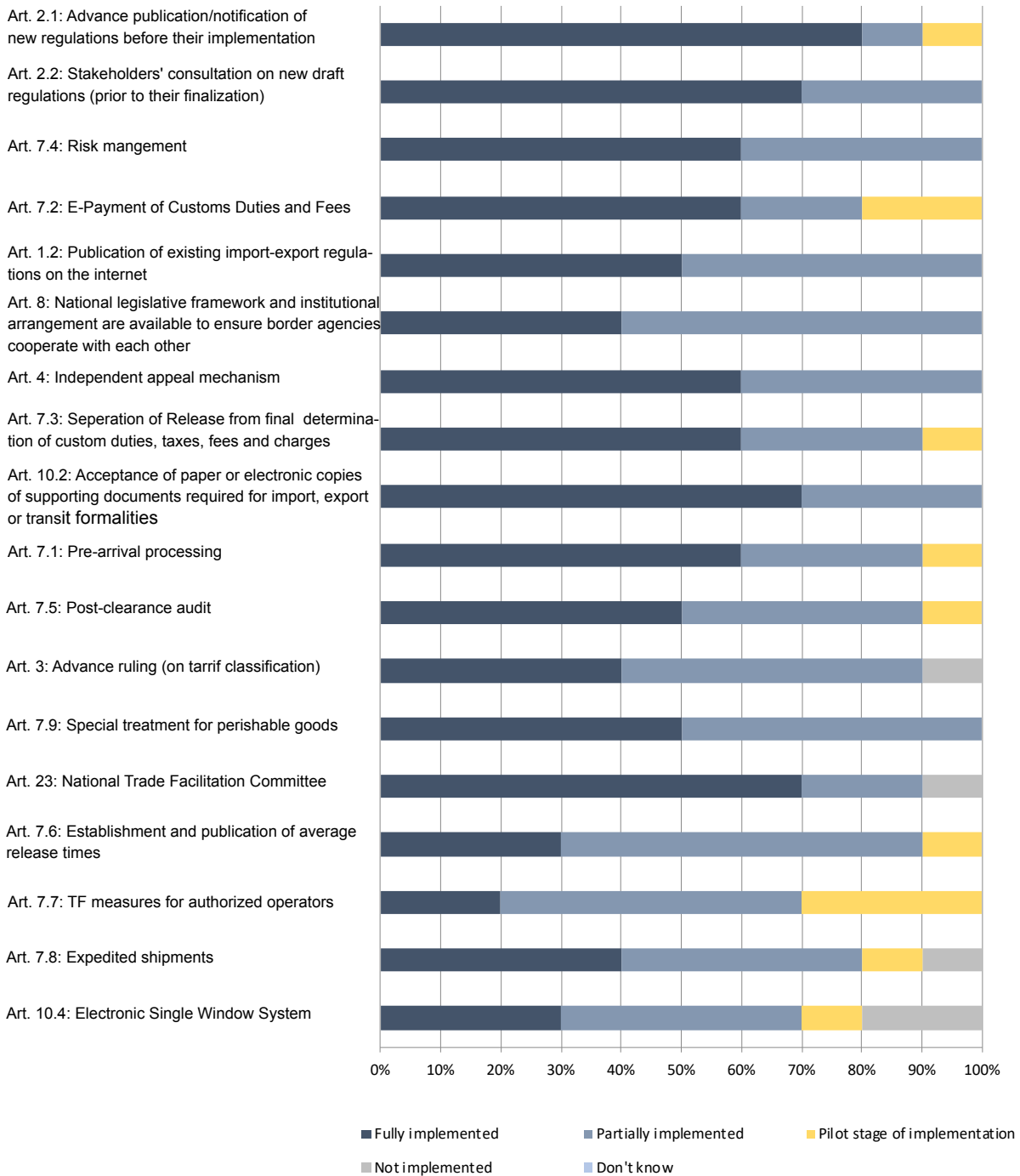
Sub-group	Most implemented (% of countries)		Least implemented (% of countries)	
	Measure	Implemented fully, partially, and on a pilot basis (%) / Full implementation (%)	Measure	Implemented fully, partially, and on a pilot basis (%) / Full implementation (%)
Transparency	Advance publication/notification of new trade-related regulations before their implementation	100.0 / 80.0	Advance ruling on tariff classification and origin of imported goods	90.0 / 40.0
Formalities	Acceptance of copies of original supporting documents required for import, export or transit formalities	100.0 / 70.0	TF measures for authorized operators	100.0 / 20.0
Institutional Arrangement and Cooperation	National Trade Facilitation Committee or similar body	90.0 / 70.0	Government agencies delegating border controls to Customs authorities	70.0 / 30.0
Paperless Trade	Internet connection available to Customs and other trade control agencies	90.0 / 80.0	Electronic Application for Customs Refunds	50.0 / 10.0
Cross-Border Paperless Trade	Recognized certification authority	50.0 / 30.0	Electronic exchange of Sanitary & Phyto-Sanitary Certificate	30.0 / 10.0
Transit Facilitation	Limit the physical inspections of transit goods and use risk assessment	90.0 / 60.0	Transit facilitation agreement(s)	90.0 / 20.0
Trade Facilitation for SMEs	Trade-related information measures for SMEs	100.0 / 40.0	Other special measures for SMEs	90.0 / 0.0
Trade Facilitation and Agriculture Trade	Special treatment for perishable goods	100.0 / 50.0	Electronic application and issuance of SPS certificates	60.0 / 20.0
Women in Trade Facilitation	TF policy/strategy to increase women's participation in trade	80.0 / 20.0	TF measures to benefit women involved in trade	70.0 / 10.0
Trade Finance Facilitation	Authorities engaged in blockchain-based supply chain project covering trade finance *	50.0 / 20.0	Single window facilitates traders access to finance	20.0 / 10.0
Trade Facilitation in Times of Crisis	Online publication of emergency TF measures	90.0 / 40.0	Additional trade facilitation measures to facilitate trade in times of emergencies	80.0 / 0.0

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

Figure 6 also shows the level of implementation of measures directly related to the WTO-TFA articles, based on data collected during the survey. The results are broadly consistent with the information provided by countries in official notifications to the WTO. It is noted that nine measures have been fully or partially implemented in all CAREC countries.

The least implemented measure is 'Electronic Single Window System', which has been fully implemented in only 30% of the countries with an additional 40% and 10% respectively declaring that they have partially implemented it or that it is on a pilot stage of implementation.

Figure 6: Level of implementation of WTO-TFA related measures (excluding transit measures) by CAREC countries



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



3

Implementation of Trade Facilitation Measures:

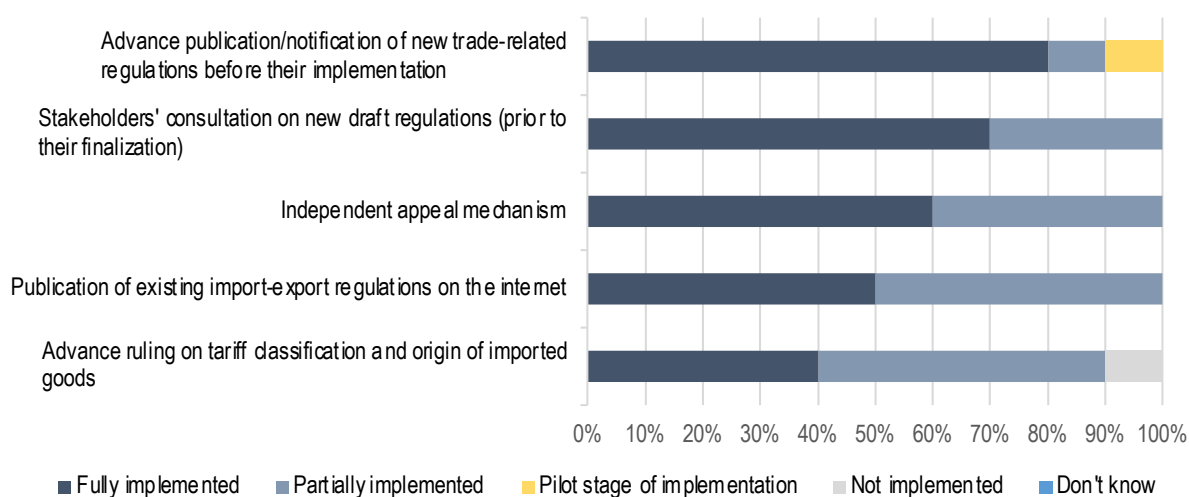
3.1 'Transparency'

Five trade facilitation measures included in the survey are grouped as 'Transparency' 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 all five 'Transparency' measures by CAREC countries is at 85%, equivalent to the Asia-Pacific average.

Figure 7 shows that most of the 'Transparency' measures have been fully or partially implemented or they are on a pilot stage of implementation. *Stakeholders* consultation on new draft regulations (prior to their finalization)', *Independent appeal mechanism* and *Publication of existing import-*

export regulations on the internet are the most implemented measures. All of the CAREC countries have fully or partially implemented them. Only one measure, namely *advance ruling on tariff classification and origin of imported goods*, has not been implemented in 10% of the countries.

Figure 7: State of implementation of 'Transparency' measures for trade facilitation in CAREC



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

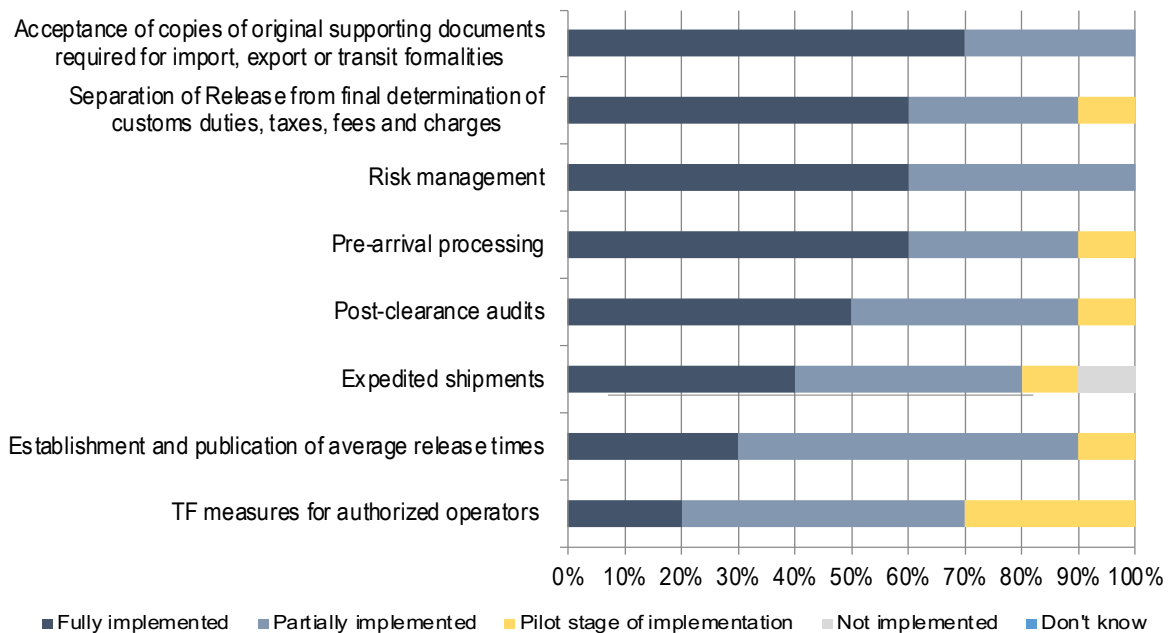
3.2 'Formalities'

Eight of the general trade facilitation measures included in the survey are grouped into 'Formalities' related to streamlining and/or expediting regulatory trade procedures. They are related to Articles 6-10 of the WTO TFA and GATT Article VIII on "Release and Clearance of Goods". The level of implementation of most measures in 'Formalities' in CAREC is over 79%, higher than the Asia-Pacific average.

All 'Formalities' measures have been fully or partially implemented in over 70% of the countries. *Acceptance of copies of original supporting*

documents required for import, export or transit formalities and *Risk management* have been fully or partially implemented by all CAREC countries. *TF measures for authorized operators* is the least fully implemented measure. Despite the fact that all CAREC countries have implemented the measure at a certain level, the implementation is mainly partial and pilot. Only 20% of the CAREC countries having fully implemented it (figure 8). *Expedited shipments* is the measure, which implementation is yet to start in 10% of the CAREC countries.

Figure 8: State of implementation of trade 'Formalities' facilitation measures in CAREC



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

3.3 'Institutional Arrangement and Cooperation'

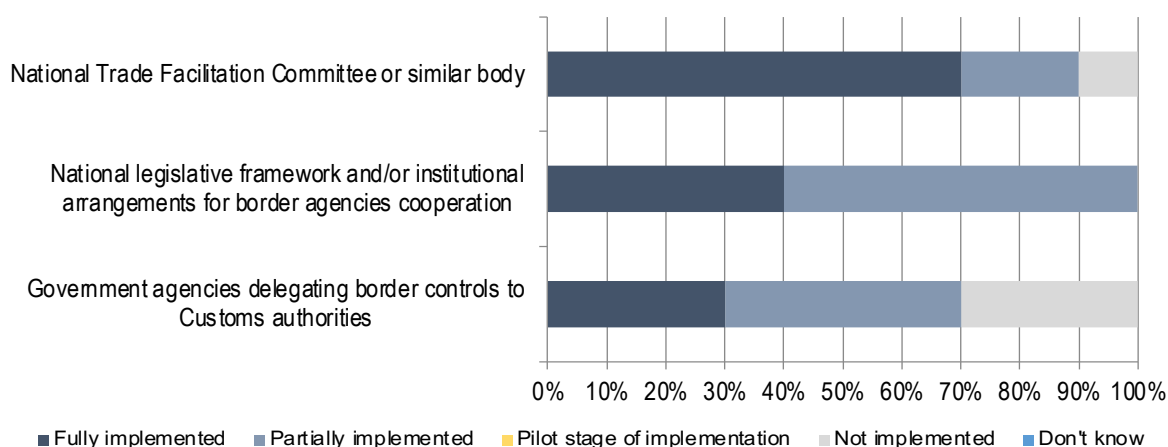
Three trade facilitation measures featured in the survey are grouped as 'Institutional Arrangement and Cooperation'. They are related to the long-standing recommendation that a national trade facilitation body and other measures be implemented to ensure coordination and cooperation among the various government agencies and other stakeholders involved in facilitating trade.⁴ All three measures are also specified in various Articles of the WTO TFA. Implementation rate of the three 'Institutional

Arrangement and Cooperation' measures in CAREC is almost 73%, approximately 5% higher than the Asia-Pacific regional average level.

Figure 9 shows that the *national legislative framework and/or institutional arrangements for border agencies cooperation* has been fully or partially implemented in all the countries. In contrast, 30% of the countries have not implemented *government agencies delegating controls to Customs authorities*, making it the least implemented measure of this group.

4. See, for example, UN/CEFACT Recommendation No. 4 on establishment of national trade facilitation bodies, first issued in 1974

Figure 9: State of implementation of 'Institutional Arrangement and Cooperation' measures for trade facilitation in CAREC



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

3.4 'Transit Facilitation'

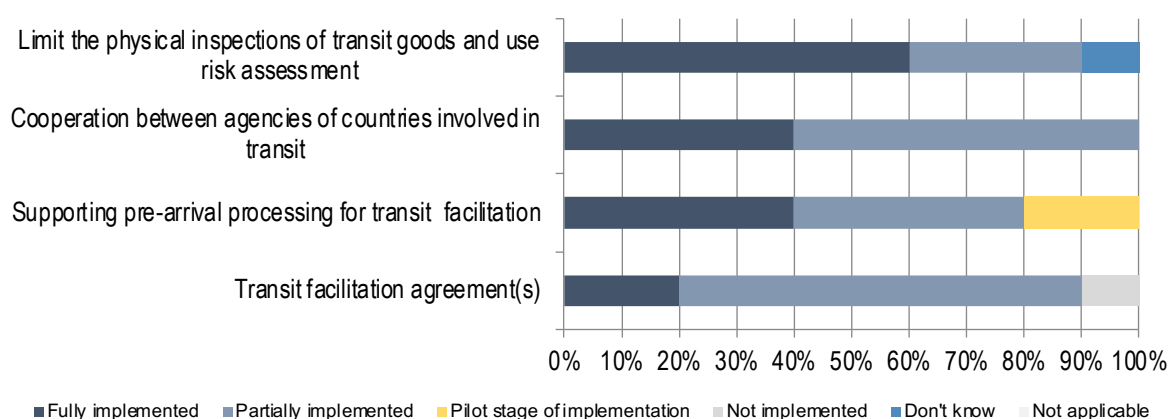
Three trade facilitation measures included in the survey relate specifically to 'Transit Facilitation' and WTO TFA Article 11 on Freedom of Transit. These measures intend to simplify, as much as possible, the formalities associated with traffic in transit, allowing goods to be seamlessly transported through one or more transit countries. These measures are particularly important to landlocked developing countries, whereas goods typically need to go through a neighboring country's territory for transit. The implementation level of 'Transit Facilitation' measures in CAREC countries stands at almost 75%, slightly lower than that of the Asia-Pacific region.

It is worth noting that most of the CAREC countries are landlocked countries. Without the positive

engagement of 'Transit Facilitation', landlocked countries could not effectively expand trade. Efficient transit will be the key to unlock the potentials of landlocked countries and accelerate regional integration. In this regard, improving 'Transit Facilitation' for CAREC countries is an imminent task.

All CAREC countries have fully, partially or pilot implemented *cooperation between agencies of countries involved in transit and limit the physical inspections of transit goods and use risk assessment, cooperation between agencies of countries involved in transit and supporting pre-arrival processing for transit facilitation*. 90% of the countries have implemented *Transit Facilitation Agreement(s)*. That said, implementation is mostly on a partial basis, suggesting significant room for improvement (figure 10).

Figure 10: State of implementation of 'Transit Facilitation' measures in CAREC



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

3.5 'Paperless Trade'

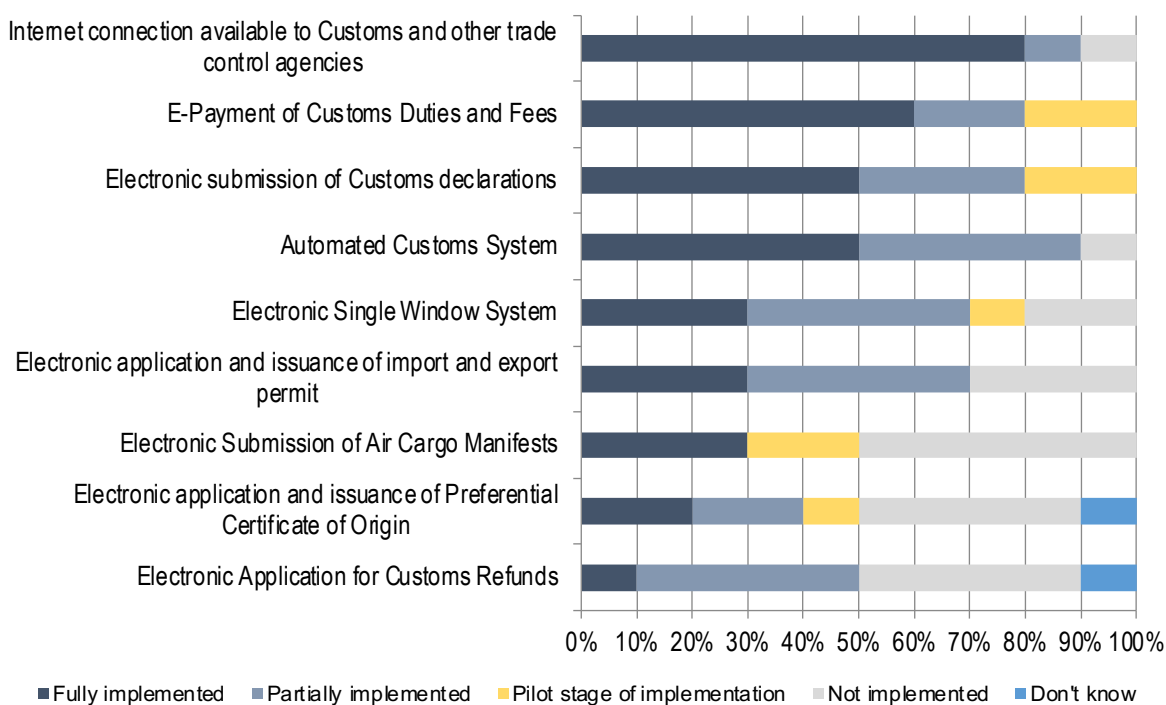
Nine of the trade facilitation measures included in the survey are grouped into the 'Paperless Trade' sub-group. All these measures involve the use and application of modern information and communications technologies (ICT) to trade formalities, starting from the availability of internet connections 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 work towards implementing such measures rather than make them a requirement.⁵ The implementation rate of 'Paperless Trade' sub-

group in CAREC is at almost 61%.

As shown in figure 11, all the countries have implemented *electronic submission of Customs declarations and E-Payment of Customs duties and fees*, fully, partially, or on a pilot basis. The least fully implemented measure is *electronic Application for Customs Refunds*. Only 10% of the countries have fully implemented this measure.

5. An example of this is the WTO TFA Article 10.3 on Single Window, which reads as follows: "Members shall endeavour to establish or maintain a single window, enabling traders to submit documentation and/or data requirements for importation, exportation, or transit of goods through a single-entry point to the participating authorities or agencies... Members shall, to the extent possible and practicable, use information technology to support the single window."

Figure 11: State of implementation of 'Paperless Trade' measures in CAREC



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

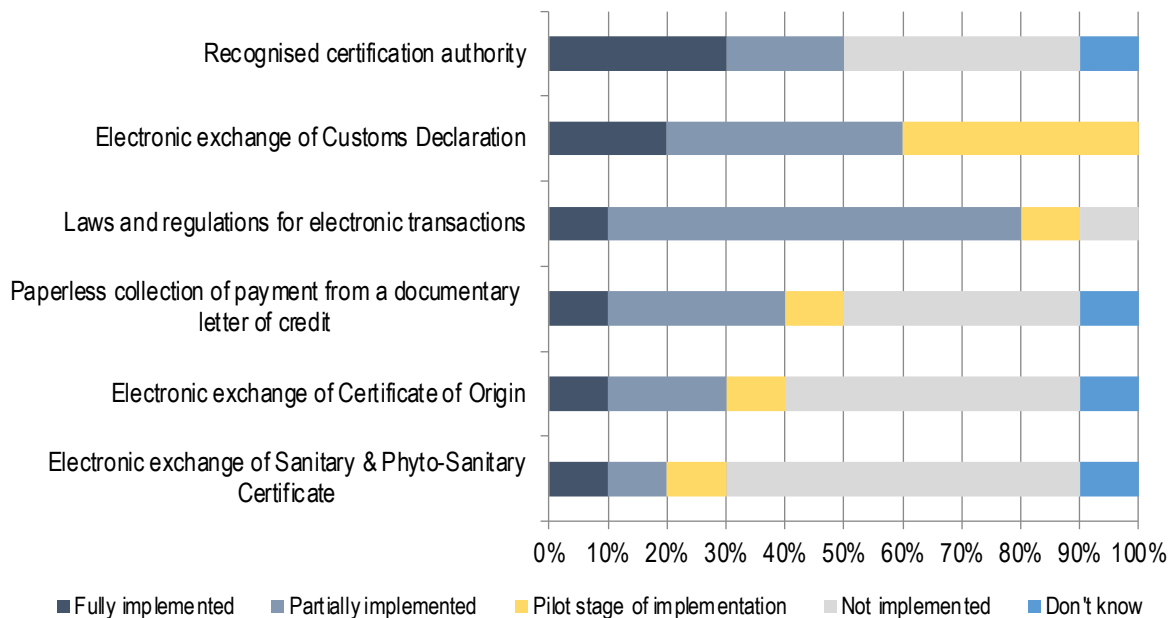
3.6 'Cross-Border Paperless Trade'

Six of the trade facilitation measures included in the survey are grouped into 'Cross-Border Paperless Trade' sub-group, as shown in figure 12. Two measures, *laws and regulations for electronic transactions* and *recognized 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 exchange of trade-related

data and documents across borders to remove the need for sending paper documents. The implementation rate of 'Cross-Border Paperless Trade' measures in CAREC is slightly higher than 40%.

Figure 12 reveals that all the countries have, to some extent, implemented *electronic exchange of Customs Declaration*. The most fully implemented measure is *Recognized certification authority*. The least implemented measure is *electronic exchange of Sanitary & Phyto-Sanitary Certificate*, which has not been implemented in over 60% of the countries.

Figure 12: State of implementation of 'Cross-Border paperless trade' measures in CAREC



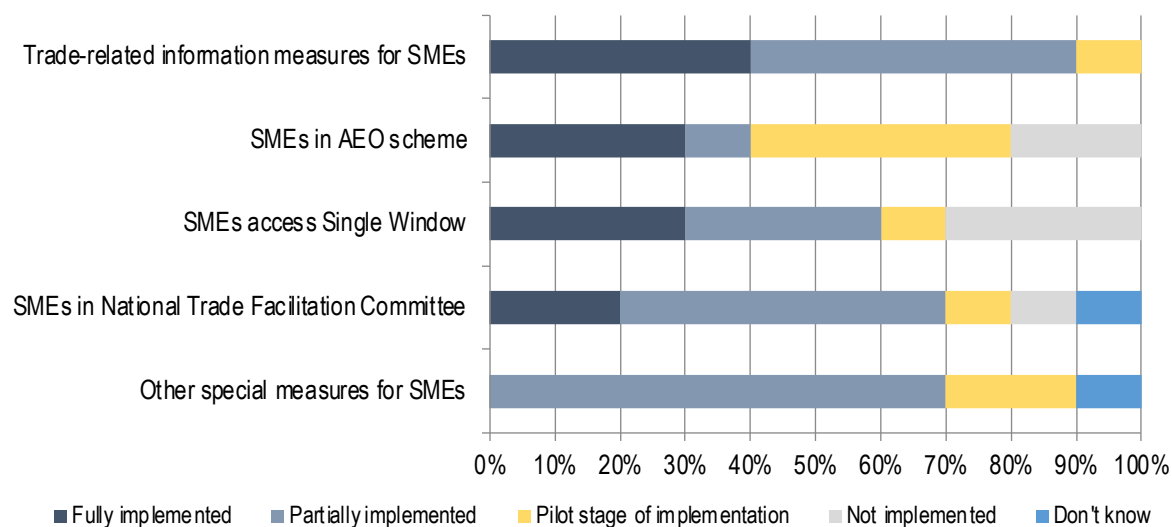
Source: UN Global Survey on Digital and Sustainable Trade Facilitation, unftsurvey.org, 202

3.7 'Trade Facilitation for Smes'

As shown in figure 13, the most fully or partially implemented measure is *trade related information measures for SMEs*. *SMEs in AEO scheme* has been implemented in 80% of the countries;

however, implementation is mainly on a pilot basis. The least implemented measure is *SMEs access Single Window*, which has not been implemented in over 30% of the countries.

Figure 13: State of implementation of 'Trade Facilitation for SMEs' measures in CAREC



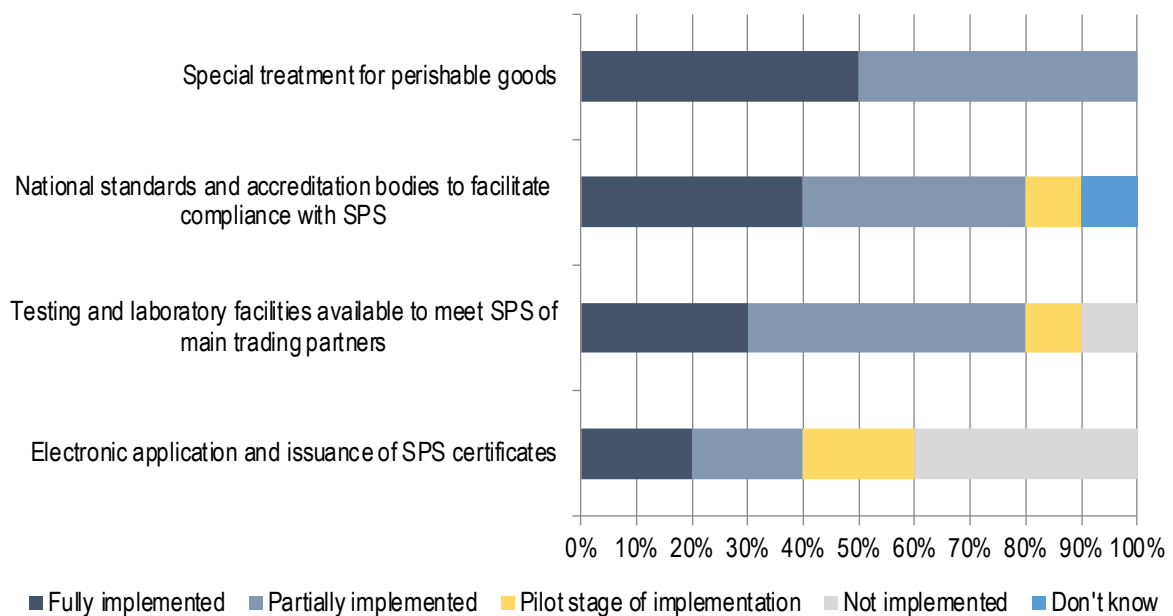
Source: UN Global Survey on Digital and Sustainable Trade Facilitation, untfsurvey.org, 2021

3.8 'Agriculture Trade Facilitation'

The implementation of 'Agricultural Trade Facilitation' measures is relatively high in CAREC countries and stands at approximately 65% (figure 5 above). All of the CAREC countries have fully or partially implemented *special treatment for perishable goods*. Measures of *National standards*

and accreditation bodies to facilitate compliance with SPS and testing and laboratory facilities available to meet SPS of main trading partners have been fully or partially implemented in over 80% of the countries. In contrast, *electronic application and issuance of SPS certificates* has not been implemented in over 40% of the countries, making it the least implemented measure in this sub-group (figure 14).

Figure 14: State of implementation of 'Agricultural Trade Facilitation' measures in CAREC



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

Box 1 Electronic exchange of Sanitary and Phyto-Sanitary (SPS) Certificates in CAREC countries: overview and way forward

Agriculture is an important sector in the CAREC region with almost one-fifth to one-fourth of GDP produced by the agriculture sector for four countries and employed one-third to one-half of workers in five countries.⁶ Modernizing SPS measures is part of the regional agenda, with the CAREC Integrated Trade Agenda 2030, which incorporates the Common Agenda for Modernization of Sanitary and Phytosanitary Measures for Trade. However, the adoption of global standards and readiness for digital systems varies among CAREC countries.

It is worth noting that the international systems have laid the groundwork for e-certification. The International Plant Protection Convention (IPPC) has, among others, developed a generic system called ePhyto Solution which allows parties e-Phytos through a single point called the HUB. Uzbekistan is the first CAREC member to exchange ePhytos under the IPPC's Hub. It participated in the e-Phyto solution in October 2020 and has since processed around 15,000 certificates with European countries through the HUB. China has launched its digital SPS compliance system in 2010 and has been pilot testing its connection to ePhyto Hub since 2018.⁷ The rest of CAREC countries currently do not indicate to recognize ePhyto system or exchange ePhytos through HUB.

ADB and CAREC Institute, from December 2019 to February 2020, surveyed CAREC members' readiness to implement electronic phytosanitary certification by covering three major aspects: current phytosanitary certification procedures (import requirements, certification procedures and mode of transmission), legal environment, and use of ICT.⁸

Table 3 shows the mode of transmission of SPS certificates, which indicates that only China and Uzbekistan used electronic certification while the rest of the countries still exchanging hard copies. China and Uzbekistan have issued a substantial number of e-certificates. China has issued 0.69 million e-certificates facilitate traders per year, while Uzbekistan issued 0.25 million ePhyto certificates per year.

6. <https://www.carecprogram.org/uploads/2019-Modernizing-Sanitary-Phytosanitary-CAREC.pdf>

7. Y. Heqing. 2018. Connecting to the Hub ePhyto in China. Presentation at the 3rd IPPC Global Symposium on e-Phyto. 22 January 2018. Malaysia.

8. <https://www.adb.org/sites/default/files/publication/720191/adb-brief-184-agri-trade-central-asia.pdf>

Table 3: Mode of Transmission and Validity of Phyto Certificate

Country	Mode of transmission of PS certificates to other users like Customs and other countries	Validity/ duration of PS certificates after issuance and prior to export	Fee for PS certificate	Number of PS certificates issued per year
Afghanistan	Hard Copy	-	100Af (1.28 US \$) per sheet	-
Azerbaijan	Hard Copy	14 Days	10 AZN (5.88 US\$)	40,000
People's Republic of China	Hard as well as Electronic (where countries can transmit/ receive)	Fresh Goods-14 Days Other Plant Products-21 Days In North Region (during Winter)-35 Days	Free	0.69 Million (690,000/)
Georgia	Hard Copy	15 Days	25-50 GEL (8.67- 17.33 US \$)	3428 (Border by Georgia Revenue Service) 10,333 (National Food Agency)
Kazakhstan	Hard Copy	30 Days (from the date of issuance)	Free to individuals and Legal Entities	Around 0.3 Million
Kyrgyz Republic	Hard Copy	Requirements of the importing country	200 SOM (2.86 US \$)	40,000
Mongolia	Hard Copy; Via the media and the website; By e-mail	5 Days to 1 month depending upon commodities	10000 MNT (10 thousand tugrik) 3.69 US \$	10,000
Pakistan	Hard Copy	90 Days	PKR 50-300 (0.32- 1.94 US \$)	Around 0.15 Million
Tajikistan	Letter or application to legal entities and individuals	30 Days	Based on estimates and volume of products	Depending on the volume of the shipment of goods
Turkmenistan	Hard copy as well as through email (where required)	30 Days	Based on tariffs approved by Ministry of Finance and Economy of Turkmenistan	Depends on the number of contracts awarded
Uzbekistan	Electronically	Unlimited until the delivery to the importer's country	up to 10 kg - 0.15 MRZP(MP3П); up to 100 kg - 0.18 MRZP(MP3П); up to 500 kg - 0.20 MRZP(MP3П); up to 1000 kg - 0.25 MRZP(MP3П);	0.25 Million

Legal measures are critical for the expansion and implementation of digital trade. For CAREC countries, the legal basis for recognizing phytosanitary certificates and exchange e-certificate exists in most of the countries in the region. However, there are varying degrees in terms of provisions for allowing electronic exchange and international data storage including electronic certificates of ePhyotos. All CAREC

countries have introduced cybercrime laws as per international standards. Some CAREC members have privacy legislation benchmarking relevant international standards, which require consent from data subject for collecting personal data. In addition, Azerbaijan, China and Kyrgyzstan have consumer protection law in place, which ensures consumer rights by, for instances assisting cross-border investigations. (table 4).

Table 4: Availability of Enabling Legislation and Regulations in CAREC Countries

Law or Implementing Regulation	Afghanistan	Azerbaijan	People's Republic of China	Georgia	Kazakhstan	Kyrgyz Republic	Mongolia	Pakistan	Tajikistan	Turkmenistan	Uzbekistan
Enables the issuance and receipt of electronic documents and/ or electronic data exchange		•	•	•	•	•	•	•	•	•	•
Rule, regulation, or order describing the requirements and procedures for phytosanitary certification	•	*	•	•	•	•	•	•	•	•	•
Rule, regulation, or order implementing ISPM 12		•	•	•	**	**	•	•	•	•	•
Maintains lists of regulated pests or articles of trade partner		•	•	•	•	•	•			•	•
Maintains technical information on regulated pests			•	•	•	•	•			•	•

Source: ADB and CAREC Institute survey (as of February 2020); Food and Agriculture Organization of the United Nations. FAOLEX Database. <http://www.fao.org/faolex/country-profiles/en/> (accessed February 2021).

• Specific legislation or modern statutes are reported available by the survey respondents, or known through government advice or public sources.

* After authority on issuance of export and re-export phytosanitary certificates was transferred to the Azerbaijani Food Safety Agency in 2018, the rules on issuance of phytosanitary certificates of 2006 have been repealed.

** Pursuant to the unified rules and norms for plant quarantine in the Eurasian Economic Union, approved by the Eurasian Economic Commission on 30 November 2016, No. 159.

On top of relevant legal provisions, Internet infrastructure and the ICT use plays a profound role in facilitating the digital landscape. The CAREC's digital landscape is highly uneven. The COVID-19 crisis has further exposed the gaps among CAREC members. International bandwidth, internet exchange points (IXPs), data centers, and cloud services which are critical data infrastructure are lagging in most of the CAREC region. However, it is worth noting that regardless of technical capacity, ePhyto allows countries to

set up and participate with is web-based program working even on low bandwidth internet.

In this regard, it would be beneficial for rest of CAREC countries to upgrade their systems with references to China and Uzbekistan experiences, through capacity building activities and regional cooperation. Finally, given the increasing role of digital trade and data exchange in the context of the COVID-19, adoption of a harmonized exchange protocols will greatly benefit CAREC members.

Source: Dorothea Lazaro et al., 2021. Expanding Agri-Trade in Central Asia through the Use of Electronic Certificates. ADB Briefs, No. 184. Available at <http://dx.doi.org/10.22617/BRF210288-2>; CAREC Institute. CAREC Digital Initiatives and Trade Financing (forthcoming)"

3.9 'Women in Trade Facilitation'

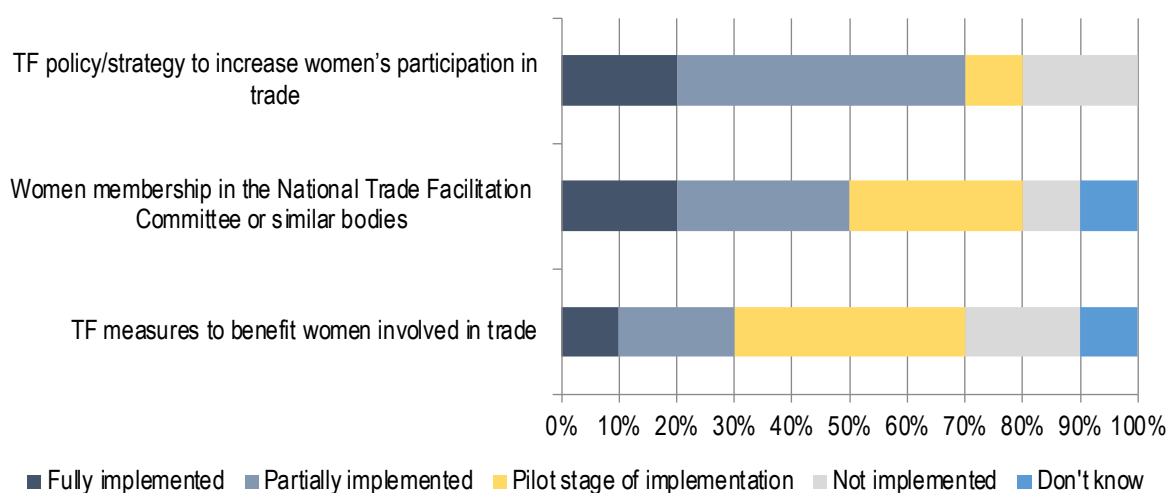
The level of implementation of 'Women in Trade Facilitation' in CAREC stands at approximately 48%. Compared to that in 2019, CAREC countries have made much progress. However, there is still plenty of room for improvement. Despite gender equality being mainstreamed in many policy initiatives, specific gender concerns for female traders remain limited and do not extend to trade facilitation.

As shown in figure 15, even though approximately 80% of the countries have implemented the three measures in the indicator, implementation is

mostly incomplete. This is particularly the case when it comes to *TF measures to benefit women involved in trade*. This involves various practices such as having a gender focal point in the relevant border agencies, promoting balanced participation of men and women in trainings, or offering specific trainings for women involved in trade. Full implementation only occurs in approximately 10% of the countries.

Given that gender equality and the empowerment of women are important elements of the Sustainable Development Agenda - and the typically limited participation of women in trade and trade facilitation - more countries may consider measures to enhance gender balance in national trade facilitation committees or similar bodies.

Figure 15: State of implementation of 'Women in trade facilitation' measures in CAREC



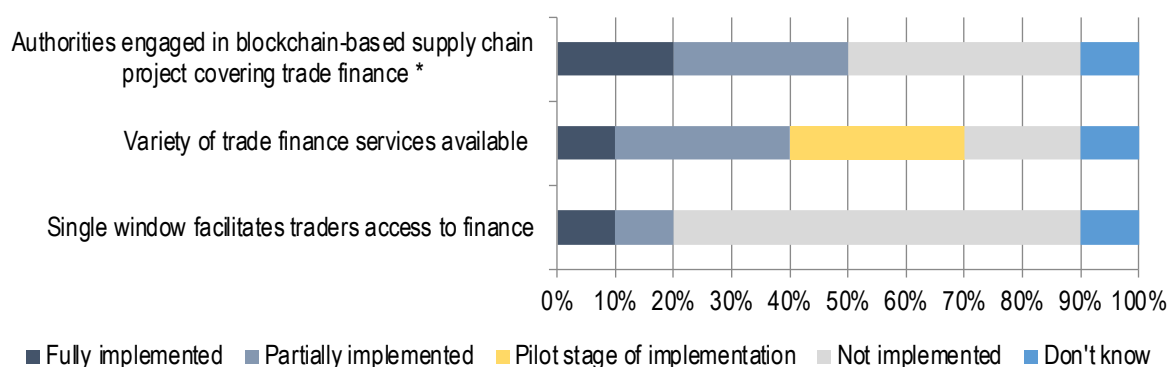
Source: UN Global Survey on Digital and Sustainable Trade Facilitation, untfsurvey.org, 2021

3.10 'Trade Finance Facilitation'

The level of implementation of 'Trade Finance Facilitation' in CAREC is relatively low, standing at approximately 32% and making it the least implemented across all sub-groups. As shown in figure 16, the most implemented measure is *variety of trade finance services available*. However, implementation is mostly on a partial and pilot

basis. *Authorities engaged in blockchain-based supply chain project covering trade finance* is the most fully implemented measure in the sub-group. That said, only slightly more than 20% of the countries have fully implemented this measure. The least implemented measure is *single window facilitates traders access to finance*, which has not been implemented in nearly 80% of the countries.

Figure 16: State of implementation of 'Trade Finance Facilitation' measures in CAREC



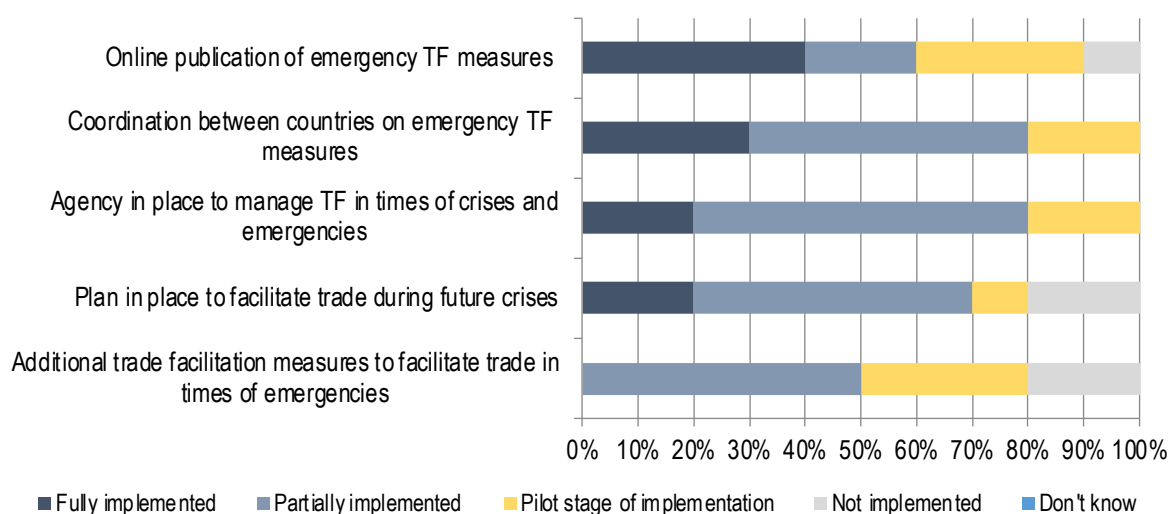
Source: UN Global Survey on Digital and Sustainable Trade Facilitation, untfsurvey.org, 2021

3.11 'Trade Facilitation in Times of Crisis'

The COVID-19 pandemic has hit global trade with an unprecedented scale and speed and has revealed the fragility of the global supply chain. The global survey included five measures related to 'Trade Facilitation in Times of Crisis' to support a viable and sustainable recovery from the COVID-19 crisis. Implementation rate of this sub-

group stands at approximately 60%. As shown in figure 17, most of the CAREC countries have, to various extent, implemented five measures in the sub-group. However, implementation is mostly on a partial or pilot basis. It is worth noting that 20% of the countries have already introduced a trade facilitation plan to secure future crises, while an additional 60% of the countries have started to explore how they can set themselves on the right trajectory to prepare for future crises.

Figure 17: State of implementation of 'Trade Facilitation in Times of Crisis' measures in CAREC



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



4

Assessing the Impact of Trade Facilitation in CAREC

To assess the potential impact of the implementation of trade facilitation measures in ASEAN, we estimate a trade cost model as a function of trade facilitation implementation rates based on the 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 CAREC from implementing three sets of trade facilitation measures are shown in table 5. The first set of trade facilitation measures is limited to implementation of WTO TFA binding measures only. The second set of measures includes all binding and non-binding WTO TFA measures included in the 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 CAREC countries at least partially implement all measures, or if they fully implement all measures, are calculated.

Table 5: Changes in trade costs in CAREC resulting from implementation of trade facilitation and paperless trade

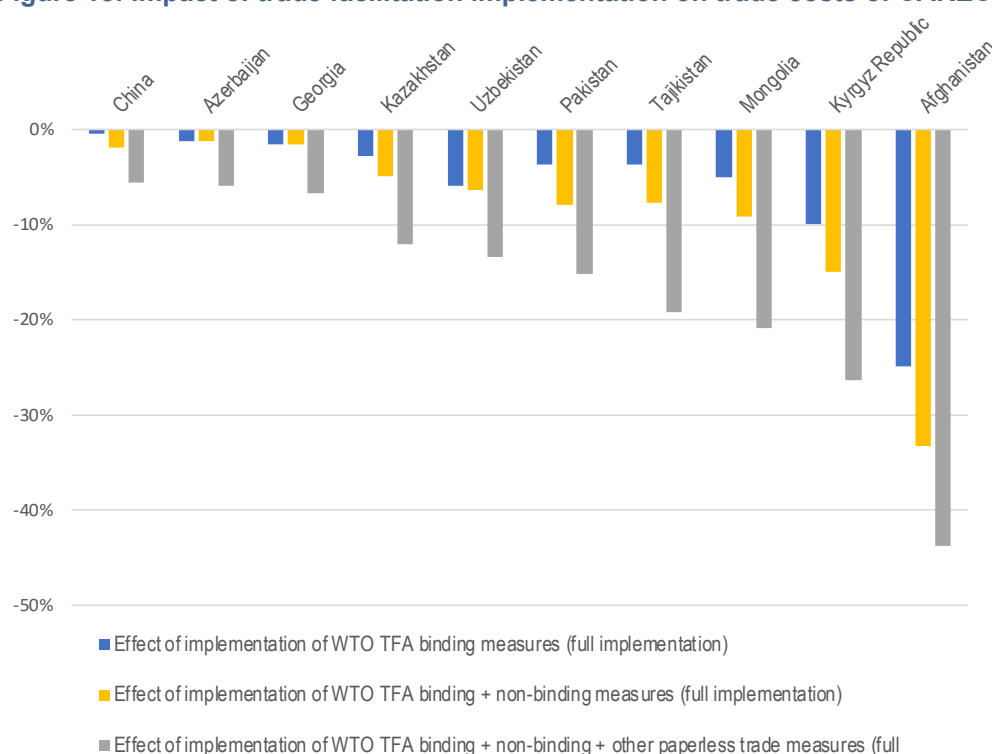
CAREC: trade costs model	WTO TFA (binding only)		WTO TFA (binding + non-binding)		WTO TFA+ (binding + non binding + other paperless and cross-border paperless trade)	
	Partially implemented	Fully implemented	Partially implemented	Fully implemented	Partially implemented	Fully implemented
Model 1						
Overall trade facilitation	-2.85%	-5.91%	-4.14%	-8.91%	-10.39%	-16.91%
Model 2						
General trade facilitation measures	-0.90%	-1.90%	-1.10%	-2.54%	-1.33%	-2.83%
Digital trade facilitation measures			-2.17%	-3.86%	-12.05%	-16.81%

Source: ADB/ESCAP, 2021, Asia-Pacific Trade Facilitation Report, 2021

Two main findings emerge from this impact analysis. First, achieving basic compliance with WTO TFA by implementing only binding measures results in modest trade cost reductions. Full implementation of binding measures results in a decrease of trade costs of about 2.9-5.9%, while full implementation of all measures results in a 8.9% reduction. Second, the paperless implementation of the TFA measures, together with enabling the seamless electronic exchange of trade data and documents across borders, results in much larger trade costs reductions, averaging nearly 16.9% for CAREC as a whole. Results of model 2 also suggest that most of the trade cost reductions are associated with paperless trade measures rather

than conventional trade facilitation measures.

All CAREC countries stand to make significant gains from accelerating trade facilitation implementation. As shown in figure 18, the full implementation of the three different sets of trade facilitation measures results in trade costs reductions for all countries. As expected, the trade costs reductions are much larger when cross-border paperless trade is achieved. However, achieving such trade cost reductions will require closer cooperation between economies on developing interoperable paperless trade systems, as envisaged in the CPTA.

Figure 18: Impact of trade facilitation implementation on trade costs of CAREC countries

Box 2 – Continued efforts to accelerate trade digitalization via a United Nations Treaty

The treaty was adopted by the ESCAP members in 2016 and entered into force on 20 February 2021. 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 to be supported by 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>

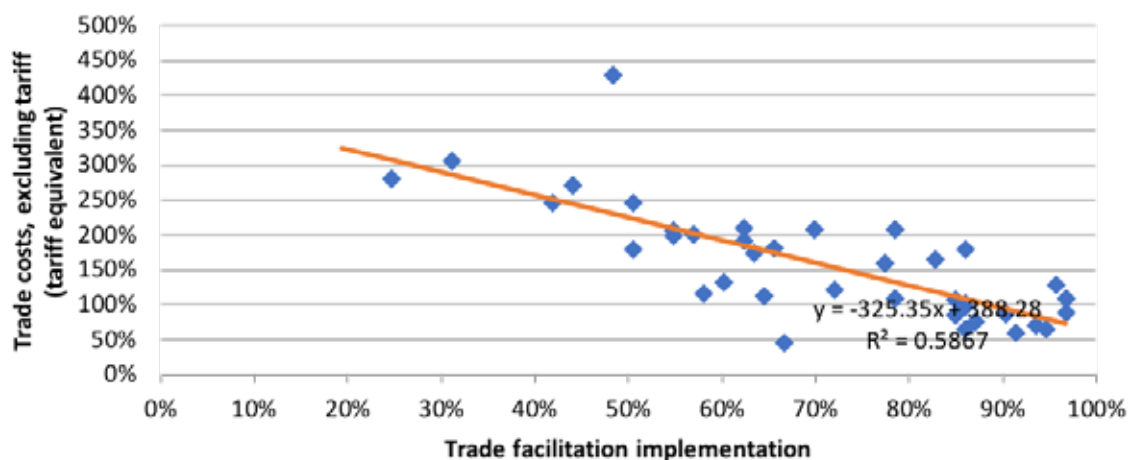


5

Conclusion and Way Forward

This report presented data on Digital and Sustainable Trade Facilitation Implementation collected from ten CAREC countries and other 36 economies across the Asia-Pacific region. The survey covered not only implementation of general trade facilitation measures, including most of those featured in the WTO TFA, but also more advanced ICT-based trade facilitation measures and measures targeted at the agricultural sector, SMEs, women traders, and trade finance. Moreover, as COVID-19 has greatly affected global trade, this year's survey also added a new section on trade facilitation in times of crisis and pandemic. Figure 19 confirms the strong relationship between Asia-Pacific countries international trade costs and their level of trade facilitation implementation.

Figure 19: Trade facilitation implementation and trade costs for CAREC countries



Notes: Countries' trade costs are based on average comprehensive bilateral trade costs with Germany, China, and the USA and expressed as ad valorem equivalents (%).

Source: ESCAP-World Bank International Trade Cost Database (2021 update) and Source: UN Global Survey on Digital and Sustainable Trade Facilitation, untdc.org, 2021

Based on a package of 31 trade facilitation measures included in the survey, average implementation rate in CAREC is found to be approximately 66%, an increase of 7 percentage points compared to the last survey results. CAREC countries performance is slightly higher than the regional average.

The assessment reveals that CAREC countries have been actively engaged in implementing measures to improve 'Transparency', 'Paperless and Cross-Border Paperless Trade', 'Formalities' and enhance inter-agency coordination and cooperation. However, with relatively low implementation rate of slightly higher than 40%, showing there is still plenty room for improvement, especially through regional cooperation. In this regard, the CPTA could support CAREC countries, 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.

When it comes to 'Sustainable Trade Facilitation', CAREC countries are actively implementing measures regarding 'Agricultural Trade Facilitation'. The implementation of inclusive measures to promote SMEs is relatively high as well. Yet, trade facilitation measures tailored to SMEs are insufficient, especially considering its important roles in digital trade and achieving sustainable trade. Therefore, further developing trade facilitation policies supporting SMEs are of critical importance.⁹

In contrast, implementation of trade facilitation measures supporting women is relatively low compared to other measures, showing that there is still plenty of room for improvement.

'Trade Finance Facilitation' measures, firstly included in the survey in 2019 on a pilot, suffer from difficulty to collect data, as trade facilitation experts and officials who provided or validated the survey showed general unfamiliarity with trade finance. Level of implementation of 'Trade finance facilitation' measures in CAREC is relatively low, standing at approximately 32%, partly because of lack of knowledge and data, making it the least implemented group of measures in this grouping of countries.

Taking Single window facilitates traders access to finance as an example; it has not been implemented in nearly 80% of CAREC countries yet, suggesting a need for greatly enhanced coordination and cooperation traditional trade facilitation actors and those involved in developing financial and payment services. 'Trade Facilitation in Times of Crisis' is a new sub-group, not just assessing the immediate pandemic response but also the subsequent recovery efforts to build resilience to future disruptions.

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

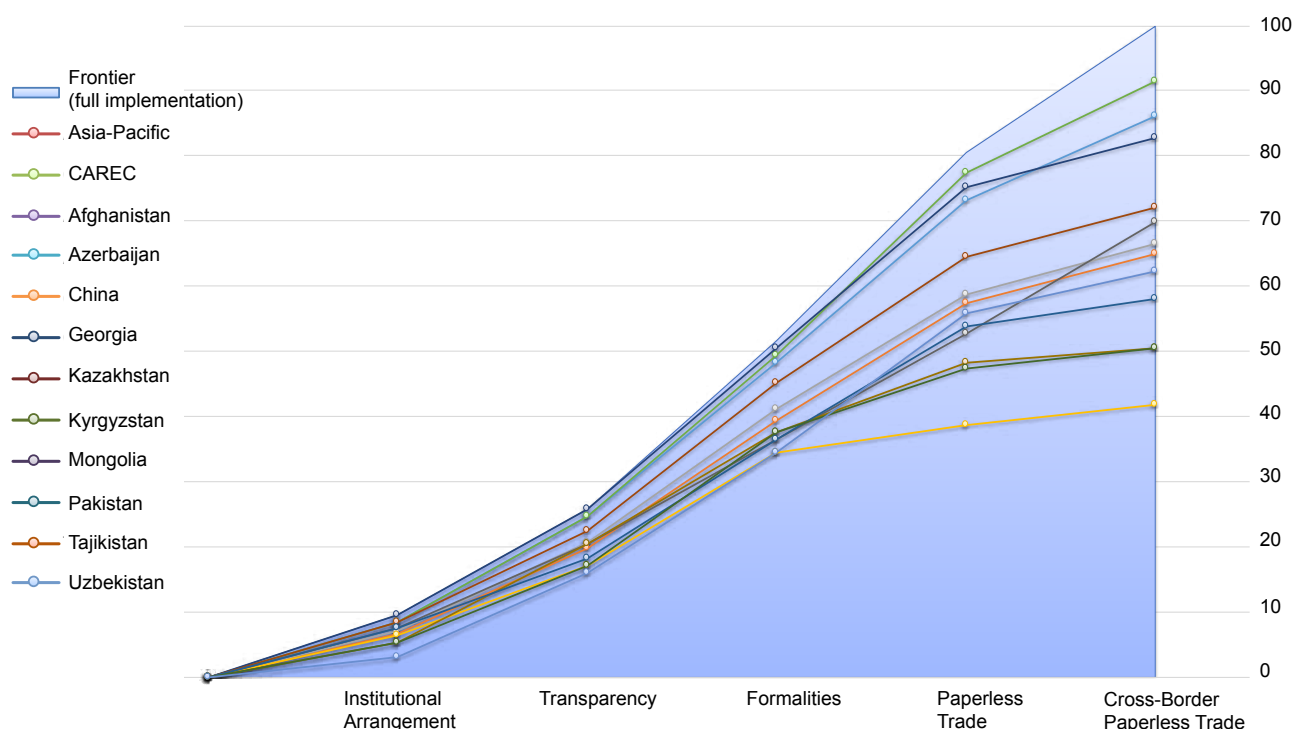
CAREC countries have been implementing measures to tackle trade disruptions as a result of the pandemic to various extent, but mostly on partial or pilot basis. As COVID-19 continues to disrupt the global supply chain, better preparation for ongoing and future crises should be a policy priority for countries that have not yet started making such plans, to support a sustainable and resilient trade.

Moving forward, figure 20 shows the implementation of trade facilitation as a step-by-step process, based on the groups of measures included in this survey. Trade facilitation begins with the setting up of the 'Institutional Arrangement' needed to prioritize and coordinate the implementation of trade 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 consulting with stakeholders when developing new ones. Designing and implementing simpler and more efficient trade 'Formalities' is the third step. The re-engineered and streamlined processes may first be implemented based on paper documents but can be further improved through ICT and the development of '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.¹⁰

10. This step-by-step process is inspired from and generally consistent with the UN/CEFACT step-by-step approach to trade facilitation towards a single window environment.

Figure 20: 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, untsurvey.org, 2021

ANNEXES

Annex 1: Grouping of trade facilitation measures included in the questionnaire

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 survey instrument was sent by the ESCAP Secretariat 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 United Nations Conference on Trade and Development (UNCTAD) Secretariat 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 and regional trade facilitation partners or organizations, such as ASEAN, OCO and CAREC. 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. The outcome of Step 2 was a consistent set of responses per country. Step 2 took place between January and May 2021.
Data validation by national governments:	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. Step 3 took place between May and June 2021.

Annex 3: Definition of each Stage of Implementation

Stage of implementation	Coding/Scoring
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.	3
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.	2
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.	1
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.	0



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