

In the Name of GOD

**AFACT Paperless trading/Single Window
environment
Version 3**

**AFACT ROADMAP
strategic initiative**

**New Delhi Annual Meeting
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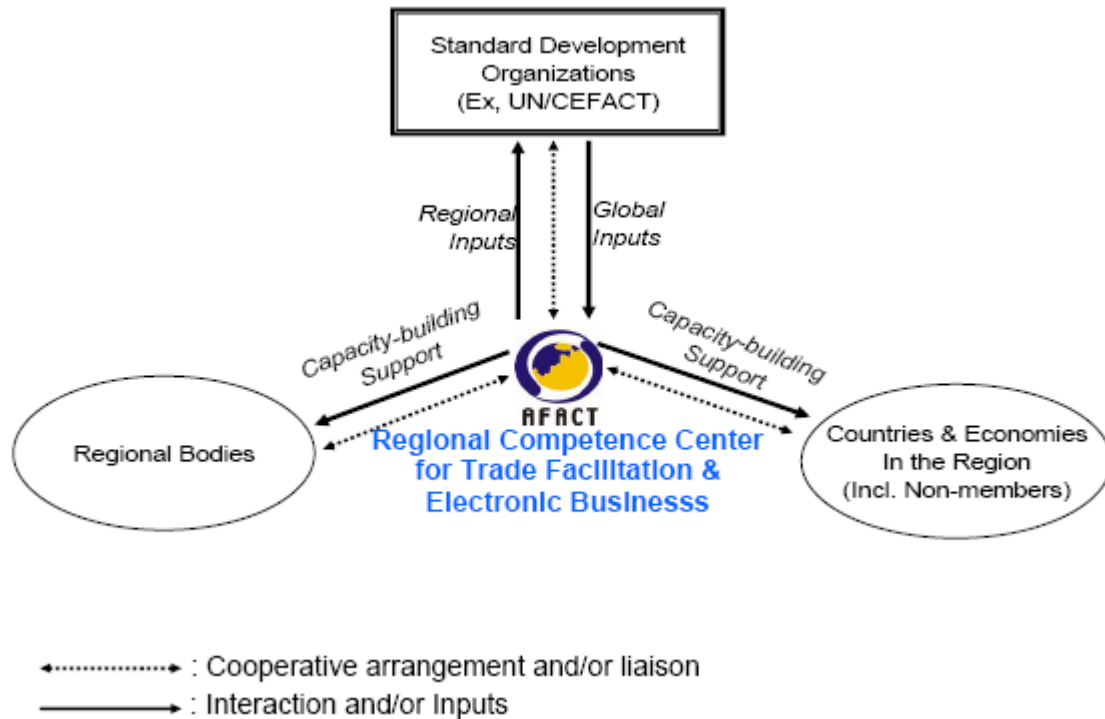
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Introduction

AFACT is the Asia Pacific Council for Trade Facilitation and Electronic Business. It's a non-profit, Non-governmental organization that is open to participation from the representatives of member countries and experts from private sectors within the Asia-Pacific region.



To stimulate the creation of single windows throughout the world UN/CEFACT has issued Recommendation No. 33: Recommendation and Guidelines on establishing a Single Window to enhance the efficient exchange of information between trade and government. The Recommendation describes a single window as: *“a facility that allows parties involved in trade and transport to lodge standardized information and documents with a single entry point to fulfill all import, export, and transit-related regulatory requirements.”*

Single Window environment for Asia countries extracted from AFACT roadmap can enhance the use of electronic commerce to create cross-border paperless trading environment as well as to implement paperless trading through the development of national single window systems.

AFACT SW environment is an infrastructure for paperless Trading in advance between member countries. This infrastructure is not only a complex technical issue, but also the politics and other non-IT issues that should be examined first.

The components of the AFACT SW environment are designed in accordance with numerous international recommendations and standards, established by the United Nations Conference on Trade and Development (UNCTAD), the United Nations Economic Committee for Europe (UNECE), UNCEFACT, and the United Nations Commission on International Trade Law (UNCITRAL), and others.

Approaches

In the new economy era the need for fast flow of trade information is as important as the fast movement of goods at local and global.

Movement to standard-driven electronic trade documents is possible through the paperless trade environment. Such standard-driven electronic documents can be lodged and exchanged within a single entry point, commonly known as “single window”. Single window and paperless trade environment that is based on common international standards enhances trade competitiveness and promote economic integration at the sub-regional and regional level.

While single window facilities can be operated on the national level (i.e. for use with the governmental bodies of a single country), single window facilities can also cooperate on an international level. In such case, information submitted to a national single window can be forwarded to other national single window facilities thereby further reducing administrative costs.

At the regional level, ASEAN and APEC-related have been initiated single window and paperless trade to promote economic integration of their member economies. However, there is a great potential for other countries and regions to establish similar systems. In particular, the most of the countries have introduced Electronic Data Interchange (EDI) for customs clearance procedures and adopted strategies for developing a single window system.

The project aims to promote the goal related to free flow of goods, services and capital for economic operation in the Asia-Pacific region (AFACT members in advance).

AFACT supports Work plan of below items which are required in carrying out international trade transaction along the international supply chain at Asia countries. Although dynamic process in which the unique needs of each region will be recognized and incorporated into the project activity plan for trade facilitation within the region.

- Countries capacity building
- Establish an interoperability framework and standards to ease transactions between NSWs or National trade infrastructures to follow up data simplification, data harmonization and data standardization.
- Specify priority for domains and documents for running paperless trading between countries
- Doing Data harmonization according to the domains and documents
- Establish an Asian TestBeb organization and responsibilities
- Planning project or projects structure

The AFACT Single Window environment operates as an interoperability framework in a more global environment to enhance members and related regional trade efficiency and competitiveness through the guidance and capacity building not limited to the following:

- Standardization of trade related data and information as appropriate;
- Standardization and alignment of documents and formalities to international standards and conventions;
- Simplification and standardization of the business flow of processes related to

cargo clearance; and

- Development of a suitable legal framework.

As an expected outcome, AFACT committees will aim to develop lists of key issues for the implementation of paperless trade environment, including policy-oriented recommendations with a view to creating a dynamic environment.

Scope

AFACT country members are not collection of a single region or regional alliance. They are members of different conventions and different regions but not limited to Asia-Pacific district. With this consideration, in the future, the AFACT SW scope can be a global environment to expand paperless trading to other continents.

Here we can see the scope of AFACT SW environment for current situation to future expansion.

AFACT members	APEC	ASEAN	ECO	OIC	OPEC	SAARC
Afghanistan			X	X		X
Australia	X					
China	X					F
Chinese Taipei	X					
Cambodia		X				
India	X			F.O		X
Indonesia	X	X		X		F
Iran, Islamic republic of			X	X	X	F
Japan	X					
Korea – South	X					O
Malaysia	X					
Mongolia	X					
Pakistan			X	X		X
Philippine	X	X				
Saudi Arabia				X	X	
Singapore	X	X				
Sri lanka						X
Thailand	X	X		O		
Vietnam	X	X				

X = Current member

F = Future member

O = Observer member

AFACT SW environment can connect six regional conventions. This can be an environment to expand AFACT memberships to all Asia countries.

APEC

Asia-Pacific Economic Cooperation, or APEC, is the premier forum for facilitating economic growth, cooperation, trade and investment in the Asia-Pacific region.

APEC is the only inter governmental grouping in the world operating on the basis of non-binding commitments, open dialogue and equal respect for the views of all participants. Unlike the WTO or other multilateral trade bodies, APEC has no treaty obligations required of its participants. Decisions made within APEC are reached by consensus and commitments are undertaken on a voluntary basis.

APEC has 21 members - referred to as "Member Economies" - which account for approximately 40.5% of the world's population, approximately 54.2% of world GDP and about 43.7% of world trade.

APEC's 21 Member Economies are Australia; Brunei Darussalam; Canada; Chile; People's Republic of China; Hong Kong, China; Indonesia; Japan; Republic of Korea; Malaysia; Mexico; New Zealand; Papua New Guinea; Peru; The Republic of the Philippines; The Russian Federation; Singapore; Chinese Taipei; Thailand; United States of America; Viet Nam.

Status of APEC Single Window environment for APEC:

ASEAN

The ASEAN Declaration states that the aims and purposes of the Association are: (1) to accelerate economic growth, social progress and cultural development in the region and (2) to promote regional peace and stability through abiding respect for justice and the rule of law in the relationship among countries in the region and adherence to the principles of the United Nations Charter.

The Association of Southeast Asian Nations or ASEAN was established on 8 August 1967 in Bangkok by the five original Member Countries, namely, Indonesia, Malaysia, Philippines, Singapore, and Thailand. Brunei Darussalam joined on 8 January 1984, Vietnam on 28 July 1995, Lao PDR and Myanmar on 23 July 1997, and Cambodia on 30 April 1999.

As of 2006, the ASEAN region has a population of about 560 million, a total area of 4.5 million square kilometers, a combined gross domestic product of almost US\$ 1,100 billion, and a total trade of about US\$ 1,400 billion.

Status of ASEAN Single Window environment for ASEAN:

ECO

Economic Cooperation Organization (ECO) is an intergovernmental regional organization established in 1985 by I.R. of Iran, Pakistan and Turkey for the purpose of promoting economic, technical and cultural cooperation among the Member States. Over the past 12 years the member states have been collaborating to accelerate the pace of regional development through their common endeavors. Besides shared cultural and historic affinities, they have been able to use the existing infrastructural and business links to further fortify their resolve to transfer their hopes and aspirations into a tangible reality. ECO has embarked on several projects in priority sectors of its cooperation including energy, trade, transportation, agriculture, and drug control.

Current Membership: Islamic State of Afghanistan, Azerbaijan Republic, Islamic Republic of Iran, Republic of Kazakhstan, Kyrgyz Republic, Islamic Republic of Pakistan, Republic of Tajikistan, Republic of Turkey, Turkmenistan and Republic of Uzbekistan

As of 2008, the ECO region has a population of about 325 million, GDP at current prices about US\$ 1380 billion,

Status of ECO Single Window environment for ECO: not defined

OIC

The Organization of the Islamic Conference (OIC) is an international organization with a permanent delegation to the United Nations. It groups 57 member states, from the Middle East, Africa, Central Asia, Caucasus, Balkans, Southeast Asia, South Asia and South America.

OIC members:

Afghanistan, Albania, Algeria, Azerbaijan, Bahrain, Bangladesh, Benin, Brunei Dar-us-Salaam, Burkina Faso, Chad, Comoros, Djibouti, Egypt, Gabon, Gambia, Guinea, Guinea-Bissau, Guyana, Indonesia, I.R. of Iran, Iraq, Jordan, Kazakhstan, Kuwait, Kyrgyzstan, Libya, Malaysia, Maldives, Mali, Mauritania, Morocco, Mozambique, Niger, Oman, Pakistan, Palestine, Qatar, Saudi Arabia, Senegal, Sierra Leone, Somalia, Sudan, Surinam, Syrian, Tajikistan, Togo, Turkey, Turkmenistan, United Arab Emirates, Uzbekistan, Yemen

The OIC total population is about 1468 million, and these 57 countries have a combined GDP of US\$ 7,740 billion.

Status of OIC Single Window environment for OIC: not defined

OPEC

The Organization of the Petroleum Exporting Countries (OPEC) is a permanent, intergovernmental Organization, created 1960, by I.R. of Iran, Iraq, Kuwait, Saudi Arabia and Venezuela. Other Members are Qatar; Socialist Peoples Libyan Arab Jamahiriya; United Arab Emirates; Algeria; Nigeria; Angola and Gabon.

OPEC's objective is to co-ordinate and unify petroleum policies among Member Countries, in order to secure fair and stable prices for petroleum producers; an efficient, economic and regular supply of petroleum to consuming nations; and a fair return on capital to those investing in the industry.

Status of OPEC Single Window environment for OPEC: not defined

SAARC

The South Asian Association for Regional Cooperation (SAARC) is an economic and political organization of eight countries in Southern Asia. In terms of population, its sphere of influence is the largest of any regional organization: almost 1.5 billion people, the combined population of its member states. It was established on December 8, 1985 by India, Pakistan, Bangladesh, Sri Lanka, Nepal, Maldives and Bhutan. In April 2007, Afghanistan became its eighth member.

As of 2000, the GDP at current prices was US\$ 620.3 bn.

Status of SAARC Single Window environment for SAARC: not defined

AFACT SW environment Objectives

- 1 - To coordinate and unify the approach of the SW concept at the AFACT Country members at the both national and regional levels.
- 2 - To promote the adaptation of internationally accepted standards essential for the development of interoperable single windows between countries.
- 3 - Establishing a Legal Framework for International Trade Single Window based on:

Recommendation No 35 of UNCEFACT, The World Customs Organization (WCO) and WCO-UNCITRAL Joint Legal Task Force on Coordinated Border Management Incorporating the International Single Window

4 - Establish a comprehensive international paper less trade/AFACT Single Window environment across cross borders at both countries and regions levels using recognized international instruments and standards to enhance interoperability of trade systems and capacity-building.

5 - To facilitate AFACT country members for enhancing their capacity in the Documents simplification, Data harmonization, and Standardized data set development at both individual and regional levels;

6 – Recommend Developed Data Model for Cross-Border Data Exchange

7 – To integrate all efforts and activities at related AFACT Committees to create a roadmap and implementation strategy to guide AFACT economies towards achieving the single window facility. All member economies operate within a unique environment.

Key characteristics

According to the outcome of the 3rd UNCEFACT forum on trade facilitation called "A Roadmap towards Paperless Trade" The key characteristics of the transition to the global paperless trade system include:

- Benefits
- Costs
- Policy and strategic considerations.

Benefits - for Governments and the private sector.

1. For Governments paperless trade is an important instrument to increase security, development and revenues from international trade.
2. For the private sector paperless trade can greatly increase efficiency of supply chains and provide new value-added services.
3. For developing and transition economies paperless trade can provide specific benefits.

Costs

4. Companies will only adopt paperless trade if they see a clear net benefit.
5. Paperless trading has characteristics of a public good and its introduction is likely to imply external costs and benefits.
6. Paperless trade presents specific challenges for developing and transition economies.

7. The implementation carries technology and market risks.

Policy and Strategic considerations

8. Elimination of paper in the international supply chain is achievable but the transition needs to be managed.

9. Governments should take a lead role in initiating the transition to paperless trade.

10. Successful implementation projects for paperless trade grow rapidly in scope and volume:

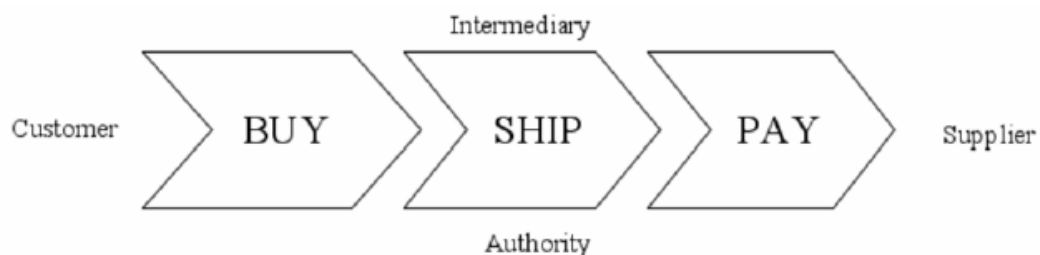
- Stage 1: Development of a paperless Customs declaration system
- Stage 2: Integration of other administration and regulatory bodies, involved in export/import procedures
- Stage 3: Extension to serve entire business communities (ports, airports)
- Stage 4: Integration national logistic platform, interlinking the administrations, companies and the service sectors to better manage import and export operation.
- Stage 5: Integration of national logistic platforms into a regional system of information exchange.

11. Facilitation and simplification of trade procedures and documents should take place prior to automation.

12. Paperless systems should be based on international standards, but should also reflect and take into account regional specifications

Reference Model

Broader context of AFACT SW is described in the UNCEFACT International Supply Chain Reference Model. As you can observe from the diagram below, this model contemplates the wider range of parties to international business transactions including not only the typical B2G and G2G connections of the international single window, but also the wide range of B2B relationships and transactions that can be part of the global supply chain in international trade.



Related AFACT master projects (refer to TFT proposals)

Interface with Other organizations on Single Windows

Key steps to meet Targets

AFACT Updates Key characteristics, and requirement steps and identify new steps that member countries at both governments and the business community levels need to take to realize the benefits of paperless trade within a meaningful time frame. To do this role, AFACT efforts will take place important key facts as:

1 – Finalizing vision and targets (current document)

Finalize vision, targets, scope, and steps, for AFACT paperless trading/single window environment.

2 – Define subject, country/International roles, and responsibilities

2-1: Select a subject for international trade between country members

This subject can be a material like fruits or vegetarian trading between countries at Asia/Pacific countries and other regions. This selection should make a good contribution for all AFACT members and its important criteria can be market promotion for SMEs around the region.

This selection can be an initial motivator for starting the AFACT SW/paperless trading environment as an international project as an initial pilot plan.

2-2: Looking key agents, roles and responsibilities in country members

Regarding the result from item no. 1, next step is assigning country agents, their roles and responsibilities, and the ways they can handle the project.

2-3: Looking international key agents and organizations outside AFACT, roles and responsibilities for supporting and any other related businesses.

Contact with UNESCAP, UNDP, UNECE, and related international specialty organizations such as FAO, etc.... for handling the subject and funding for meetings, workshops, capacity building, and consultations at both stages preparing and running the pilot initial plan for AFACT SW/paperless trading environment.

By: StC and JWGs

3 - Country readiness reviews and detailed recommendations for single trading subject resulted from items no. 1 and 2.

3-1: National and regional policies and other non-IT issues

3-2: Legal Framework survey with aspects of Security, e-Authentication, Protection, and

3-3: Tools and standard requirements

3-4: Issues related to data harmonization and the implementation of reliable and secured electronic documents

3-5: Plan for supporting capacity building in the process of document simplification, data harmonization, and standardized data set

3-6: Plan to do readiness survey for Capacity Building, Technical, Legislation, Security and PKI, Interoperability Framework, Data Harmonization, and ...

3-7: Plan to make a repository or database for sharing information regarding relevant single window initiatives, training materials, environment standards,

By: Working Groups and JWGs

4 – Define Budget plan, schedule, coordination roles and responsibilities, communications, and steering plan

By: StC and Plenary

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