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Resilient and Sustainable Trade Facilitation

Presentation By

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UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

Resilient and sustainable Trade Facilitation

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60 years

I. What is the linkage between resilience of global supply chains and trade facilitation?

II. How can trade facilitation help promote digital and green solutions?

Linkage between resilience of global supply chains and trade facilitation: The Facts

- **Border congestion and clearance times during COVID Crisis increase the need for information and transparence:**

Ex: number of visits of TIP Kenya

- **UN Global Survey on Digital and Sustainable TF and paperless trade:**

Ex: Emergency TF measures less implemented in LDCs compared to Developed countries

- **E-commerce increase leading to congestion at ports and pressure on border agencies to clear faster.**

Ex: During covid, 5 to 7 years of ecommerce growth has been compressed into one single year.

Linkage between resilience of global supply chains and trade facilitation: Solutions

- **Resilience of global supply chains and TF ecosystem**
- **TF principles are crucial even more in time of crisis:**
  - ✓ Digitalization
  - ✓ Transparency
  - ✓ Harmonization through collaboration
  - ✓ Coordination through NTFCs (Art 23.2)
- **Need political will to implement TF agenda for greater resilience**
- **WTO TFA: 159 ratifications out of 166 (95.8%) (October 2024)**
- **UN-CEFACT Recommendations:**
  - ✓ No.44 on Cross-border facilitation measures for disaster relief
  - ✓ No.47 on Pandemic Crisis Trade-Related Response on Interoperability of system-2-system exchanges

Linkage between resilience of global supply chains and trade facilitation: Specific initiatives for emergency situations

- **Emergency supply with ASYREC** (Automated System for Relief Consignments) and institutional framework at border agencies in the Pacific region.
- **NTFC support and formulation of National Trade Facilitation Roadmap**: Planning for resilient and sustainable transport and logistics. Ex. *Maldives*
- **Rapid scan of trade facilitation preparedness in times of crisis** which aims at reviewing and advising the member states on the main challenges faced in transit and trade facilitation and the policy recommendations in regulations and measures in international trade: *Bolivia, Ecuador, Honduras, Peru and Mongolia, Vanuatu, Zimbabwe*
- **Regional initiatives**: ex: *AfCFTA and the EAC Regional Trade Information Portal*

How can trade facilitation help promote digital solutions?

DIGITALIZATION

- Digital infrastructure and connectivity, smart technologies
- Interoperability among border agencies but also at regional level

→ Increased efficiency and resilience of supply chains

How can trade facilitation help promote digital solutions?

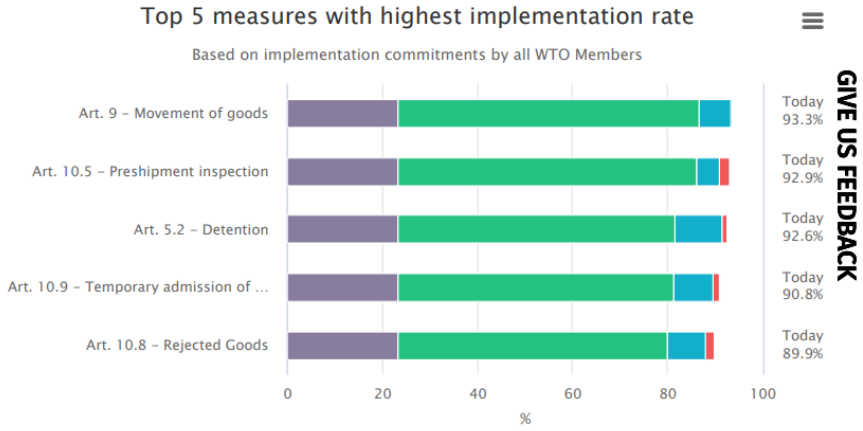
Some TF measures promoting digitalization:

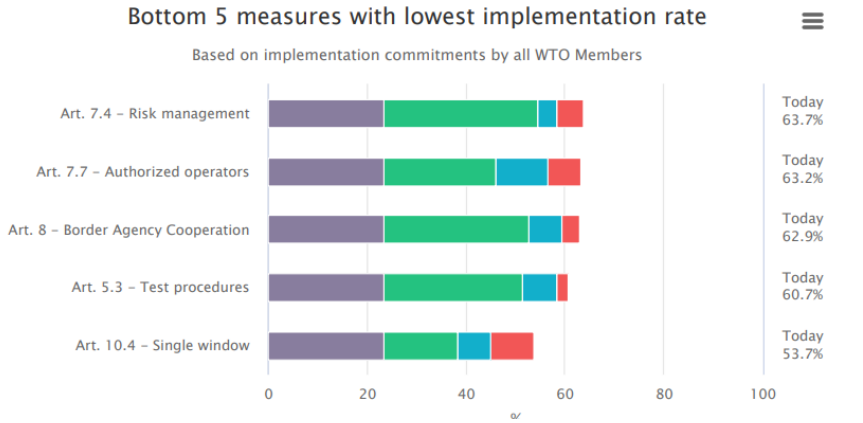
- **Trade Information Portals (Art 1.2)**
- **Pre-arrival processing with ASYHUB (Art 7.1)** enhancing efficiency of customs clearance processes and risk management systems by facilitating pre-arrival processing of sea cargo manifests and integrating and processing data related to pre-arrival/pre-departure cargo information. Piloted in Cambodia and Sri Lanka.
- **Electronic Single Window** and digital platforms for electronic documents and certificates (Art 10.4)
- 11 ASYCUDA based single window system.
- 102 countries using ASYCUDA systems

How can trade facilitation help promote digital solutions?

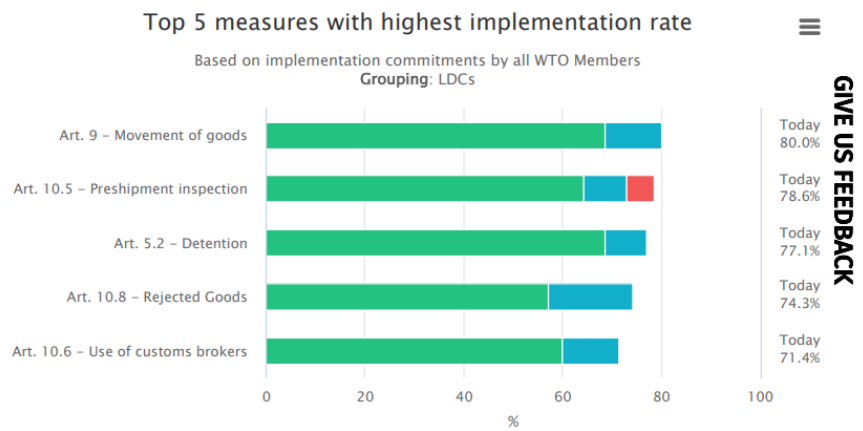
Status of implementation of digital TF

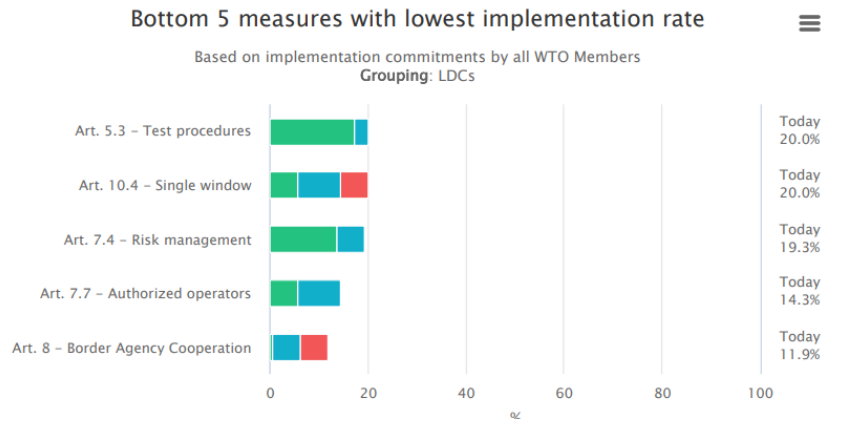
Developed Countries





LDCs





How can trade facilitation help promote green solutions?

GREEN SOLUTIONS : Climate-smart trade facilitation

Def: Facilitating volumes of import, export and transit goods while greening the supply chain and reducing negative impacts on climate change.

"Each single end-to-end trade transaction undertaken fully digitally could save emissions equivalent to planting 1.5 trees. For the whole of Asia-Pacific, this implies savings of about 13 million tons of CO2 annually, equivalent to the carbon absorbed by 400 million trees. "

In line with multilateral standards:

-IMO on full decarbonization of the shipping sector by 2050

-UN CEFACT recommendation on single window (no.33)

-UN-CEFACT on trade Information portal (No.38)

How can trade facilitation help promote green solutions?

TF AND THE DOUBLE EFFECT

-Increases volume of global and regional trade by facilitating and streamlining administrative requirements, hence the increase in GHG emissions due to transport and any carbon-related activities (paper, fuel, etc.);

-Encourages introduction of new technologies which reduce use of resources such as paper and fuel associated to trade procedures.

How can trade facilitation help promote green solutions?

Issues:

The impact of the multilateral frameworks and RTAs on Trade Facilitation: WTO TFA, PACER, ASEAN, RCEP.

WTO TFA has increased trade by 231 billion USD, LDCs mainly

Opportunities:

The role of technology in supply chain: increases performance and reduces GHG emissions.

Ex: *Green customs and electronic Single Window of Vanuatu* with a reduction of 5,827 kg of CO2 emissions by eliminating the use of papers in two trade procedures automated only.

Ex: *Trade Information Portals in Kenya and simplification:* resulted in 42 trade procedures, eliminate 64 documents and saved 69 hours in total.

Conclusion

- ✓ **Making supply chains more connected, efficient and resilient imply greater digitalization and greening trade facilitation processes.**
- ✓ **While digitalization and green supply chains entail new risks such as cyber risks, there is positive impact on the reduction in clearance time of goods and mitigation of climate change.**
- ✓ ***One condition*: to use clean energy in the development of digital trade facilitation.**

Policy recommendations

At national level:

- Encourage Governments to accelerate TF implementation and increase digitalization of their trade and customs related processes, incl. new technologies such as Artificial intelligence
- Ensure the use of green technologies in the automated customs systems, eSW and trade information portals
- Increase trade facilitation preparedness in the face of disruptions, risk assessment and management, and resilience building at borders
- Increase collaborative mechanisms in border agency cooperation with the business community for a better response

Policy recommendations

At regional level:

- Promote global coordination among governments and innovation in technologies and renewable energy to ensure coherence and efficiency of trade facilitation instruments while contributing to climate-smart trade
- Amend the RTAs to include spillover effects on climate change in reference to trade facilitation

Thank you

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