Use of international standards: Article 10.3

National and international businesses, traders and transport operators have to comply with numerous formalities and documentation requirements (sometimes up to 40 originals), often containing redundant and repetitive data (200 data elements on average) according to an UNCTAD study.

Simplification and standardization of trade documents, and alignment to international standards, is therefore crucial to ease trade. Some examples of standardized documents include certificates of origin, bills of lading, universal airway bills and freight forwarding instructions.

National export, import or transit formalities, procedures and data/documentation requirements may be based on international standards.

Likewise, standardized message protocols are also being used in some countries. The United Nations Electronic Data Interchange for Administration, Commerce and Transport (UN/EDIFACT, ISO 9735) comprises internationally agreed standards, directories and guidelines for the electronic interchange of structured trade data between independent computerized information systems. Further, the United Nations Centre for Trade Facilitation and Electronic Business (UN/CEFACT) provides business processes and other message protocols for the equivalent of paper documents in electronic format.

The measure

ARTICLE 10   FORMALITIES CONNECTED WITH IMPORTATION, EXPORTATION AND TRANSIT

3   Use of International Standards

3.1   Members are encouraged to use relevant international standards or parts thereof as a basis for their import, export, or transit formalities and procedures, except as otherwise provided for in this Agreement.

3.2   Members are encouraged to take part, within the limits of their resources, in the preparation and periodic review of relevant international standards by appropriate international organizations.

3.3   The Committee shall develop procedures for the sharing by Members of relevant information, and best practices, on the implementation of international standards, as appropriate.

The Committee may also invite relevant international organizations to discuss their work on international standards. As appropriate, the Committee may identify specific standards that are of particular value to Members.

Understanding the measure

What is covered?

Core obligation

Article 10.3 encourages Members to use international standards to facilitate trade, including import, export and transit transactions.

This is a 'best endeavour measure' which means it is not mandatory but encourages Members to adopt new techniques and technology, tested and used through binding or non-binding international instruments, to facilitate trade and reduce costs of doing business.

Periodic review of standards

The measure encourages Members to work with the relevant international organizations to take part in preparing periodic reviews of international standards, where possible and within their resources. The purpose is to create ownership and acceptability amongst stakeholders.

What is not covered?

Matters beyond import, export and transit formalities, procedures and data/documentation requirements are not covered by this measure.

The measure does not make it mandatory to follow particular international standards. The standards could be tailored to countries' international trade policies and cooperation in relation to their trading partners.

Benefits and opportunities for stakeholders

Government agencies can design, plan and implement trade procedures and formalities based on best international practices and do not have to re-engineer new solutions to reduce and modernise trade requirements. WTO Members can also have the opportunity to share ideas, experiences and information to ensure that the lessons learnt by one can be applied by the other. This is particularly useful for developing countries and LDCs to minimize their research and development costs and ensure effective implementation.

Implementation

Implementation checklist

The following checklist may be used to estimate the level of compliance with the measure:

- There is a national implementation framework ensuring that export, import and transit formalities and procedures are based on international standards.

- Steps are taken to participate at forums regarding periodic review of relevant international standards by appropriate international organizations.

Preparing a national implementation plan

The following template may be used as the basis for a national implementation plan:

	Actions suggested
Implementation sequence	**Preparatory phase**
	If needed, take legal or administrative measures to standardize documentation.
	Designate a focal ministry, with NTFC, responsibility for overseeing adaptation of documents to align with international standards.
	Set-up phase
	Conduct thorough business process analysis of existing procedures and documentation to ensure implementation of international standards.
	Harmonize import, export and transit documentation and data to international standards.
	Put in place a protocol of coordination with all relevant agencies so that documents and data may be shared.
	Assign sufficient staff and train them.
	Where possible, support standardization of documents with ICT-enabled solutions.
	Conduct a public awareness campaign.
	Management and follow-up phase
	Train staff and provide them with necessary equipment/infrastructure.
	Follow up compliance of the measure.
	Participate in periodic reviews of standards with international organizations.
	Conduct reasonable and regular reviews of formalities, business processes and documentation requirements to ensure compliance with international standards are undertaken.
	Encourage users to give feedback and evaluate documentation. Ensure documents are easily available for businesses and the public.
Average time for implementation	Between two to three years.
Leading implementation agency	Ministry of trade, with NTFC, is most commonly chosen as the leading implementation agency.

Key challenges

Lack of knowledge, understanding of international standards, sufficient resources and ICT-enabled processes are all key challenges that can hamper implementation.

Key factors for success

Capacity of government authorities to adopt and implement standards is critical. In some cases, technical assistance may be required to enable authorities to understand the standards in detail. A thorough public awareness campaign will be instrumental in raising awareness of the benefits with the business community and build their understanding of international best practices.