

4

Promoting efficient governance and engaging stakeholders





4.1 Governance rules and structures

One of the critical factors for successful implementation of paperless trade systems is a strong commitment from the government, without which many projects of this magnitude tend to stall. When top political and administrative management is committed, issues of financial support and access to resources may be addressed more readily.

Coordination among government agencies is essential, given that digital trade typically cuts across many government departments (e.g. economics, business, trade, technology, customs, justice, food, transport, finance). Similarly, a wide range of industry groupings (finance, insurance, technology, exporters, shippers, logistics and transport, legal) work towards digitizing trade-related documents, with no single sector grouping easily positioned to take the lead.

Coordination can be carried out more efficiently and effectively with one government department taking the lead together with a cross-cutting industry body. This inclusive approach can help to set a shared vision of a national trade facilitation strategy.

National trade facilitation committees can play an important role as multi-stakeholder coordination bodies established to advance trade facilitation. Recognizing the critical importance of close coordination among government entities and between government entities and the business community to facilitate cross-border trade, the WTO's TFA made the establishment of such committees mandatory.

In each paperless trade system, an entity should manage the rights and obligations of the participants. These rights and obligations are generally defined in bylaws and policies, service-level agreements, memoranda of understanding, end-user agreements and other contractual arrangements.

These instruments cover multiple areas, including, *inter alia*, liability, dispute settlement and data ownership, and thereby provide a predictable environment in which information can be exchanged and used. They also define the obligations of the service provider with respect to the availability of the paperless trade system, its response time, processing time and other technical requirements that are critical to ensure the smooth operation of the system.

Finally, this coordinating body should have the appropriate political support, legal authority, human and financial resources, and links to the business community.

International guidance and good practices

The UNECE and UN/CEFACT have published five recommendations¹ on how to establish single windows, two papers² on managing risks and on terminology and several case studies³ on national coordination of trade facilitation measures. ESCAP and UNNExT (2018) also report on four best practice cases of NSWs in: Hong Kong, China; Japan; the Republic of Korea; and Singapore.

Tables 19 and 20 list some of the relevant sections on governance and on rights and obligations in the *Legal*

Readiness Assessment Guide, the *Technical Readiness Assessment Guide* and the corresponding checklists.

Table 19: Governance and rights and obligations – relevant sections in the *ESCAP Technical Readiness Assessment Guide and Checklist*

Questions in the <i>Guide and Checklist</i>	Section
Is there a governance structure established for paperless trade (e.g. national trade facilitation council)?	A1.1
Does it include all the community partners/stakeholders (government and private sector)?	A1.2
Who chairs this governance structure?	A1.3

Table 20: Governance and rights and obligations – relevant sections in the *ESCAP Legal Readiness Assessment Guide and Checklist*

Questions in the <i>Guide and Checklist</i>	Section
Does a dedicated paperless trade system, such as a single window, exist? If so, what legal instruments are used to establish and operate it? How do these instruments define the rights and obligations of the participants?	II.A.1
Which government agencies participate in the paperless trade system? On what legal basis?	II.A.2
Is there a central body tasked with setting up and managing the paperless trade system?	II.A.3
Are there service-level agreements or memoranda of understanding governing paperless trade operations? If so, who are the parties and what is the legal authority for concluding these agreements?	II.C.1

4.2 Capacity building for paperless trade system users

Preparing stakeholders for the changes is key to their support of the adoption of paperless trade systems. Business community stakeholders should understand and recognize the benefits of paperless trade systems. They should be trained and equipped with the capability to connect to and utilize paperless trade systems effectively.

Awareness programmes and workshops can ensure that stakeholders, including government agencies and traders, have a common understanding on paperless

trade systems. They are important for stakeholders to understand how data can be exchanged across borders, to manage their concerns and to prepare them to address any issues that may arise.

This work should proceed in tandem with the scoping and identification of legal and technical barriers. Active participation in the design of paperless trade systems promotes familiarity with these systems and thereby greatly facilitates their adoption.

International guidance and good practices

The WCO has developed a capacity building strategy based on key principles relating to ownership, accountability and empowerment to enable members to reform and modernize customs operations effectively.⁴

ESCAP has conducted national studies on readiness assessment for cross-border paperless trade in the Asia-Pacific. These national studies can serve as case studies on how the readiness assessment could be

conducted, as well as highlighting good practices and barriers for cross-border paperless trade.⁵

The UNECE has conducted national studies on regulatory and procedural barriers to trade⁶ and has published a guide to help countries to prepare a national trade facilitation roadmap.⁷

Table 21 lists some of the relevant sections on capacity building in the *ESCAP Technical Readiness Assessment Guide* and Checklist.

Table 21: Capacity building – relevant sections in the *ESCAP Technical Readiness Assessment Guide* and Checklist

Questions in the <i>Guide</i> and <i>Checklist</i>	Section
Has your country conducted any awareness programme and/or workshop to ensure the stakeholders, including government agencies and traders, have a common understanding on paperless trade as well as their respective roles to help realize cross-border paperless trade data exchange?	A7.1
Do the stakeholders of cross-border trade in your country fully understand the single window approach?	A7.2
Has your country conducted any awareness programme or workshop on single window?	A7.3
What is your country's future plan and timeline to enhance capacity-building for cross-border paperless trade data exchange?	A7.4
Does your country have an awareness programme (for example, capacity-building, training, workshops) for stakeholders to have a better understanding of the following issues?	B6.1
How could cross-border data exchange be implemented?	B6.1.1
Potential business transactions and documents for cross-border data exchange?	B6.1.2
Methods of identifying inhibitors that need to be addressed?	B6.1.3

Endnotes

1 See UNECE and UN/CEFACT (2013a, 2013b, 2017a, 2019, 2020a).

2 See UNECE and UN/CEFACT (2017b, 2020b).

3 See <https://tfig.unece.org/case-stories.html>.

4 See http://www.wcoomd.org/en/topics/capacity-building/overview/cb_strategy.aspx.

5 A list of national studies (both completed and ongoing) is available at <https://www.unescap.org/resources/readiness-assessments-cross-border-paperless-trade>.

6 See <https://unece.org/trade/studies-regulatory-and-procedural-barriers-trade>.

7 See UNECE (2015). For information on the support UNECE provides to countries develop their roadmap, see <https://unece.org/trade/support-transition-countries>.