Pacific Forum Islands Countries at the Intersection of Trade, Climate Change and Sustainability: Case Study of Vanuatu e-Single Window

WTO: TESSD Meeting – Sharing National and Regional Experiences
20 July 2022
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PICs - Trade & Climate Change Context:

- PICs – small open economies highly dependent on trade/imports
- Chronic & escalating merchandise trade deficits – major imports 2021 are fuel, (11-17%) machinery/white goods(11-22%), vehicles (5-8%) and food
- Highly susceptible to external shocks – economic, social (global health pandemic) and environmental (natural disasters)
- Climate Change – recognised as an existential threat both from:
  - Slow onset of CC – sea level rise, acidification, marine biodiversity loss etc
  - Natural disasters – more frequent and more severe, vicious cycle of rebuilding
  - Economic impact huge e.g Cat.5 cyclone Pam Vanuatu lost 65% of GDP in 2015
- World Risk Report 2021
  - 3 PICs top disaster risk countries: Vanuatu, Solomon Is, Tonga; and 5 PICs in top 15
- PICs on frontline of Climate Change but collective GHG emission only 0.03%
Regional Response to Trade & Climate Change

• 2016: Leaders adopted the Framework for Resilient Development in the Pacific (FRDP) 2017-2030 and the (Pacific Resilience Partnership) PRP
  • FRDP: An integrated regional approach to address climate change, disaster risk management, low carbon approach and climate financing
  • PRP: building partnership with stakeholders on implementation of FRDP

• 14 July 2022: Pacific Islands Forum Leaders adopted the 2050 Strategy for the Blue Pacific Continent
  • blueprint for sustainable development for PICs

• National Initiatives:
  • Ban on single use plastics, Styrofoam, move to renewable energy sources etc

• But a coherent strategy is needed to link Trade, climate change and sustainability in PICs - 2050 Blue Pacific Strategy a good platform
PICs and WTO - TESSD

- July 2022: PIF Leaders adopted 2050 Strategy for the Blue Pacific Continent
  - blueprint for sustainable development for PICs
- WTO and TESSD – important forum to discuss trade, climate change and sustainability e.g subsidies, circular economy, EGS, TRCM etc
- MC12 (2022) decisions important for the PICs:
  - on Fisheries Subsidies Agreement – to prohibit two forms of harmful subsidies (IUUF) and Overfished stocks and unregulated high seas
  - Continue negotiations to integrate subsidies on Overcapacity & Overfishing to make recommendations to MC13 (2023)
  - Trade and Environment inclusion in Outcome Document (para 14) to continue discussions on this issue in the multilateral process
- PICs participation: in TESSD (2PICs), IDP (3), FFSR(4)
- Global AfT - Important that global AfT support is used to assist developing countries’ transition to sustainable trade policies
Case Study on Trade and Sustainability: Vanuatu electronic Single Window (VeSW)

• **VeSW** project is making inroad to integrate trade, trade facilitation and sustainability

• Based on UNCTAD’s ASYCUDA World system in Vanuatu’s Customs Dept

• VeSW: aims to improve efficiency of border clearance process and risk management through:
  • paperless transactions and clearance
  • integrating border clearance systems for biosecurity through e-phyto
  • Integrating environmental sustainability in border process through
    • strengthening post-disaster process, planning and response – eg relief supplies, ASY REC
    • facilitating trade in fuel efficient products
    • facilitating trade under CITES through e-CITES

• Results – reducing time, paper transactions/wastage and carbon footprint
VeSW Fulfilling Vanuatu’s Environmental Policy Objectives

NSDP Policy Objective 3.3

Strengthen post-disaster systems in planning, preparedness, response & recovery
NSDP Policy Objective 2.3
Promote renewable source of energy and promote efficient energy use

NSDP Policy Objective 2.5
Strengthen environmental institutions and governance to meet national and international obligations

NSDP Policy Objective 5.1
Protect biodiversity and ecosystems and their significant role in our culture, society and environment

NSDP Policy Objective 5.4
Protect our borders and environment through effective Customs and Biosecurity services
Impact of VeSW to Customs and Biosecurity

Customs clearance with ASYCUDA World 2017

Manual Perspective Before ASYCUDAWORLD
- 11 printed document pages
- 3 trips per request between the declarant premises and customs

Automation Using ASYCUDAWORLD
- Online process
- No trip request appointment for inspections by phone

Outcome
- 65% reduction on paper
- 65% saved on trips
- 19,543 registered SADs in 2021
Impact of VeSW to Customs and Biosecurity

**Biosecurity SPS Module 2020**

**Manual Perspective Before SPS Module**
- 7 printed docs per request
- 3 trips per request between the applicant and biosecurity agency

**Automation Using SPS Module**
- 1 SPS process per request
- No trip request

**SPS Module Outcome**
- 88% reduction on paper
- 76% saved on trips
- 4,216 submitted SPS applications in 2021
Impact of VeSW to Customs and Biosecurity

Biosecurity clearance with Risk Management

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• **VeSW** – an innovative project on trade, trade facilitation and sustainability

• Potential multiplier effect of the Vanuatu project in the region:
  • ASYCUDA now used in **8 PICs** (Vanuatu, Fiji, Samoa, Solomon Islands, PNG, Kiribati, Tuvalu, New Caledonia) - funded by Australia & New Zealand
  • ASYCUDA will be rolled out in other **7 PICs** (Tonga, Nauru, Niue, Palau, Marshall Islands, Micronesia, Cook Is) - funded by European Union

• Vanuatu experience – good lesson for other PICs