Digital and Sustainable Trade Facilitation
in North and Central Asia 2021

Based on the United Nations Global Survey on Digital and Sustainable Trade Facilitation
The Economic and Social Commission for Asia and the Pacific (ESCAP) serves as the United Nations’ regional hub promoting cooperation among countries to achieve inclusive and sustainable development. The largest regional intergovernmental platform with 53 member States and 9 associate members, ESCAP has emerged as a strong regional think-tank offering countries sound analytical products that shed insight into the evolving economic, social and environmental dynamics of the region. The Commission’s strategic focus is to deliver on the 2030 Agenda for Sustainable Development, which it does by reinforcing and deepening regional cooperation and integration to advance connectivity, financial cooperation and market integration. ESCAP’s research and analysis coupled with its policy advisory services, capacity building and technical assistance to governments aims to support countries’ sustainable and inclusive development ambitions.

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The report has been issued without formal editing.
The North and Central Asia report is part of a global survey effort on the implementation of trade facilitation and paperless trade measures, undertaken jointly by the five United Nations Regional Commissions for Africa (ECA), Europe (ECE), Asia and the Pacific (ESCAP), Latin America and the Caribbean (ECLAC) and West Asia (ESCWA).

The report was prepared by ESCAP. Jiangyuan Fu and Chorthip Utoktham, under the guidance of Soo Hyun Kim and the overall supervision of Yann Duval, all from the Trade, Investment and Innovation Division (TIID) of ESCAP, provided the analysis of data for NCA, collected as part of the United Nations Global Survey on Digital and Sustainable Trade Facilitation 2021. The research assistance provided by Yifan Tan and Jiaying Zhou in finalizing the report is appreciated. Anisa Hussein and Natnicha Sutthivana informally edited the report and Anisa Hussein formatted the report. Arom Sanguanyuang created the cover design.

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EXECUTIVE SUMMARY

Reducing trade costs is essential in enabling economies to participate in regional and global value chains effectively and continue using trade as an important engine of growth and sustainable development. The recent surge in shipping costs and the subsequent disruption of the international supply chain has put additional pressure on already high trade costs in Asia and the Pacific. Trade facilitation plays a significant role in avoiding unnecessary costs and enhancing efficiency through streamlined and digitalized trade. The World Trade Organization (WTO) Trade Facilitation Agreement (TFA) and regional trade digitalization initiatives such as the Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific (CPTA) provides guidance on measures that should be considered for implementation.

In this context, this report presents the results of the 2021 United Nations Global Survey on Digital and Sustainable Trade Facilitation for eight countries in North and Central Asia, reviewing the progress of trade facilitation reforms and provides a detailed analysis based on 58 trade facilitation measures that are classified into four groups ("General Trade Facilitation", "Digital Trade Facilitation", "Sustainable Trade Facilitation" and "Other Trade Facilitation") and a further 11 sub-groups covering both binding and non-binding WTO TFA measures, as well as measures beyond the scope of the WTO TFA. The report reveals that:

- North and Central Asia’s implementation rate of the trade facilitation measures stands at 71%, significantly higher than the Asia-Pacific regional average of 65%. Within the region, the implementation level of North and Central Asia is next only to Australia and New Zealand, East & North-East Asia and South-East Asia.

- Implementation varies widely across the North and Central Asia countries. The implementation rate of Azerbaijan, the Russian Federation and Georgia achieve high levels, standing at over 80%. Kazakhstan stands at 72%, and Kyrgyzstan achieves approximately 70%. In contrast, Tajikistan stands at 51%, followed by Armenia and Uzbekistan, with an implementation rate of 62%.

- North and Central Asia countries made the most progress in implementing ‘Cross-border Paperless Trade’ related measures between 2019 and 2021, standing at 48%. Kyrgyzstan has made significant progress over the past two years, revealing a 15 percentage points increase, now standing at 70%.

- Measures under the "Sustainable Trade Facilitation" group are least implemented, particularly those targeted at women. For example, implementing measures to enhance gender balance in national trade facilitation faces considerable challenges with average implementation rates of 39%, suggesting plenty of room for improvement.

- The implementation of the newly incorporated sub-group 'Trade Facilitation in Times of Crisis' is 68%, higher than that of the regional average level. However, when it comes to individual measures, awareness about the long-term strategies to deal with emergency situations, such as the current pandemic shall be further enhanced.
The analysis presented in this report, based on the latest data available, confirms that digital trade facilitation measures can result in significant benefits to the countries in the subregion. Full implementation of binding and non-binding WTO TFA measures could decrease trade costs by 5.7%. In contrast, digital trade facilitation measures, enabling the seamless electronic exchange of trade data and documents across borders, will help reduce trade costs by 13% for North and Central Asia in a full implementation scenario. Moving forward, trade facilitation implementation may be seen as a step-by-step process, based on the groups of measures included in the survey, i.e., enhancing the institutional arrangement; establishing transparency; implementing efficient trade formalities; development of paperless trade systems, followed by enabling trade data and documents within these systems, including national Single Windows, to be safely and securely used and reused by authorized stakeholders along the international supply chain (see figure). Especially in the case of paperless and cross-border paperless trade, countries need to work together to develop and implement the legal and technical protocols needed for the seamless exchange of regulatory and commercial data and documents within and between countries. In this regard, the Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific (CPTA) could support countries in gradually moving to "less paper" and then to paperless and cross-border paperless trade by providing a dedicated, inclusive and capacity-building focused intergovernmental platform.

**Figure. Moving up the trade facilitation ladder towards seamless international supply chains**

![Figure](https://untfsurvey.org/2021)

Note: the figure shows cumulative trade facilitation implementation scores of Asia-Pacific sub-regions for 31 common trade facilitation measures included in the survey. Full implementation of all measures =100.

Source: UN Global Survey on Digital and Sustainable Trade Facilitation, untfsurvey.org, 2021.

This North and Central Asia report should be read in conjunction with the Global and Asia-Pacific report on the results of the UN Global Survey on Digital and Sustainable Trade Facilitation 2021, available at https://untfsurvey.org/.
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ABBREVIATIONS

ADB  Asian Development Bank
AEO  Authorized Economic Operator
ASEAN  Association of Southeast Asian Nations
ASYCUDA  Automated System for Customs Data
ATF-JCC  ASEAN Trade Facilitation Joint Consultative Committee
CAREC  Central Asia Regional Economic Cooperation
CPTA  Cross-border Paperless Trade in Asia and the Pacific
ECA  United Nations Economic Commission for Africa
ECE  United Nations Economic Commission for Europe
ECLAC  United Nations Economic Commission for Latin America and the Caribbean
ENEAF  East and North-East Asia
ESCAP  United Nations Economic and Social Commission for Asia and the Pacific
ESCWA  United Nations Economic and Social Commission for Western Asia
EU  European Union
GATT  General Agreement on Tariffs and Trade
ICC  International Chamber of Commerce
ICT  Information and Communications Technology
ITC  International Trade Centre
LDC  Least Developed Country
LLDC  Landlocked Developing Country
NCA  North and Central Asia
NTFCs  National Trade Facilitation Committees
OCO  Oceania Customs Organization
PIDEs  Pacific Island Developing Economies
RTAs  Regional Trade Agreements
SAARC  South Asian Association for Regional Cooperation
SEA  South-East Asia
SMEs  Small- and Medium-size Enterprises
SPS  Sanitary and Phytosanitary
SSWA  South and South-West Asia
TF  Trade Facilitation
TFA  Trade Facilitation Agreement
TIID  Trade, Investment and Innovation Division
UN/CEFACT  United Nations Centre for Trade Facilitation and Electronic Business
UNCTAD  United Nations Conference on Trade and Development
UNNExT  United Nations Network of Experts for Paperless Trade and Transport for Asia and the Pacific
UNRCs  United Nations Regional Commissions
USA  United States of America
WEF  World Economic Forum
WTO  World Trade Organization
1.1 Background and Objective

It is well understood that reducing trade costs is essential in enabling economies to effectively participate in regional and global value chains and continue to use trade as a main engine of growth and sustainable development. As shown in table 1, based on the latest data from the ESCAP-World Bank Trade Cost Database, comprehensive non-tariff trade costs between the North and Central Asian economies are still significantly higher than the costs of trading goods among the three largest European Union economies (110% tariff-equivalent vs. 41% tariff-equivalent) or those between China, the Republic of Korea and Japan (57% tariff-equivalent).
International costs of trading across borders are rising. The global supply chain was disrupted, initially caused by ad hoc border measures and lockdown of production/logistic facilities due to the COVID-19 pandemic since 2020. International shipping costs have recently risen to the highest record and continue to rise, further disrupting the global supply chain as it relies on sea freight transport. This recent phenomenon has put additional pressure on already escalated trade costs. However, trade facilitation, which aims at avoiding unnecessary costs by enhancing efficiency through streamlined and digitalized processes, can help bend the trend of increasing trade costs.

Table 1. Intra-and extra-regional comprehensive trade costs in the Asia-Pacific region

<table>
<thead>
<tr>
<th>Region</th>
<th>ASEAN-4</th>
<th>East Asia-3</th>
<th>North and Central Asia-4</th>
<th>PIDEs-3</th>
<th>SAARC-4</th>
<th>AUS-NZL</th>
<th>EU-3</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASEAN-4</td>
<td>76.7%</td>
<td>79.4%</td>
<td>319.0%</td>
<td>308.5%</td>
<td>135.2%</td>
<td>103.3%</td>
<td>103.8%</td>
</tr>
<tr>
<td></td>
<td>(3.9%)</td>
<td>(6.8%)</td>
<td>(-1.7%)</td>
<td>(-3.8%)</td>
<td>(5.1%)</td>
<td>(5.0%)</td>
<td>(-3.2%)</td>
</tr>
<tr>
<td>East Asia-3</td>
<td>79.4%</td>
<td>56.9%</td>
<td>168.2%</td>
<td>241.6%</td>
<td>125.4%</td>
<td>89.0%</td>
<td>85.2%</td>
</tr>
<tr>
<td></td>
<td>(6.8%)</td>
<td>(9.8%)</td>
<td>(-3.6%)</td>
<td>(-14.0%)</td>
<td>(1.0%)</td>
<td>(2.1%)</td>
<td>(0.3%)</td>
</tr>
<tr>
<td>North and Central Asia-4</td>
<td>319.0%</td>
<td>168.2%</td>
<td>110.6%</td>
<td>417.1%</td>
<td>268.7%</td>
<td>318.8%</td>
<td>148.2%</td>
</tr>
<tr>
<td></td>
<td>(-1.7%)</td>
<td>(-3.6%)</td>
<td>(-8.6%)</td>
<td>(13.7%)</td>
<td>(-8.5%)</td>
<td>(-8.5%)</td>
<td>(-2.7%)</td>
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<tr>
<td>PIDEs-3</td>
<td>308.5%</td>
<td>241.6%</td>
<td>417.1%</td>
<td>117.9%</td>
<td>409.8%</td>
<td>117.3%</td>
<td>397.9%</td>
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<td>(-3.8%)</td>
<td>(-14.0%)</td>
<td>(13.7%)</td>
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<td>(1.3%)</td>
<td>(-3.0%)</td>
</tr>
<tr>
<td>SAARC-4</td>
<td>135.2%</td>
<td>125.4%</td>
<td>268.7%</td>
<td>409.8%</td>
<td>128.4%</td>
<td>138.0%</td>
<td>113.7%</td>
</tr>
<tr>
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<td>(5.1%)</td>
<td>(1.0%)</td>
<td>(-8.5%)</td>
<td>(3.2%)</td>
<td>(14.4%)</td>
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</tr>
<tr>
<td>AUS-NZL</td>
<td>103.3%</td>
<td>89.0%</td>
<td>318.8%</td>
<td>117.3%</td>
<td>138.0%</td>
<td>54.0%</td>
<td>105.8%</td>
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<td>(5.0%)</td>
<td>(2.1%)</td>
<td>(-8.5%)</td>
<td>(1.3%)</td>
<td>(0.2%)</td>
<td>(3.6%)</td>
<td>(-1.1%)</td>
</tr>
<tr>
<td>EU-3</td>
<td>103.8%</td>
<td>85.2%</td>
<td>148.2%</td>
<td>397.9%</td>
<td>113.7%</td>
<td>105.8%</td>
<td>41.4%</td>
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<td>(-2.7%)</td>
<td>(-3.0%)</td>
<td>(-0.5%)</td>
<td>(-1.1%)</td>
<td>(-5.9%)</td>
</tr>
<tr>
<td>USA</td>
<td>86.6%</td>
<td>66.2%</td>
<td>190.5%</td>
<td>199.8%</td>
<td>114.2%</td>
<td>99.7%</td>
<td>66.7%</td>
</tr>
<tr>
<td></td>
<td>(2.0%)</td>
<td>(5.4%)</td>
<td>(7.1%)</td>
<td>(4.5%)</td>
<td>(3.6%)</td>
<td>(0.5%)</td>
<td>(0.1%)</td>
</tr>
</tbody>
</table>


Notes: Trade costs may be interpreted as tariff equivalents. Percentage changes in trade costs between 2014-2019 are in parentheses.

ASEAN-4: Indonesia, Malaysia, the Philippines and Thailand; East Asia-3: China, Japan and the Republic of Korea; North and Central Asia-4: Georgia, Kazakhstan, Kyrgyzstan, Russian Federation; PIDEs-3: Fiji, Tonga, Samoa; SAARC-4: Bangladesh, India, Pakistan, Sri Lanka; European Union-3: Germany, France and the United Kingdom.

In general, many trade cost reductions have been achieved by eliminating or lowering tariffs over the past few decades. Recent studies suggest that trade costs of non-tariff measures can be twice as much as that of ordinary customs tariffs. Further trade cost reductions, therefore, will have to come from tackling non-tariff sources of trade costs, such as inefficient transport, logistics infrastructure and services, as well as cumbersome regulatory procedures and documentation. In this context, this report provides an overview of the results for North and Central Asia of the 2021 United Nations Global Survey on Digital and Sustainable Trade Facilitation, conducted between January and July 2021. Also, the potential Impacts of implementing trade facilitation measures in North and Central Asia are assessed based on a trade cost model.


1.2 Survey Instrument and Methodology

The 2021 survey builds upon the original instrument (formerly known as the Global Survey on Trade Facilitation and Paperless Trade Implementation), which was prepared according to the final list of commitments included in the WTO Trade Facilitation Agreement (TFA) and supplemented by forward-looking measures that are sought to be implemented under the United Nations treaty – the CPTA.4

The 2021 survey covers 58 trade facilitation measures that are commonly used by five United Nations Regional Commissions (UNRCs). The 58 common measures are classified into four groups and 11 sub-groups (annex 1). The first group "General Trade Facilitation" includes many of the WTO TFA measures with sub-groups of 'Transparency', 'Formalities', and 'Institutional Arrangement and Cooperation', and 'Transit Facilitation'. The second group, "Digital Trade Facilitation" measures, includes 'Paperless Trade' and 'Cross-border Paperless Trade'. The third group of "Sustainable Trade Facilitation" measures includes 'Trade Facilitation for SMEs', "Agricultural Trade Facilitation" and 'Women in Trade Facilitation' sub-groups. In 2021, UNRCs introduced a new group of "Other Trade Facilitation" which comes with two sub-groups: 'Trade Finance' Facilitation5 and 'Trade Facilitation in Times of Crisis'. The overall scope of the survey goes beyond the measures included in the WTO TFA. Most paperless trade measures, particularly cross-border paperless trade, are not specifically featured in the WTO TFA although their inclusion in many cases would support better implementation of the TFA and in digital form. Most measures in the "Sustainable Trade Facilitation" group are also not specifically included in the WTO TFA, except for some of the 'Agricultural Trade Facilitation' measures. The "Other Trade Facilitation" group is added with considerations of the role that trade finance plays to facilitate trade flows. In addition, addressing the challenges posed by the COVID-19 pandemic to the global trade and supply chain, 'Trade Facilitation in Times of Crisis' is introduced to the survey. This would support "build back better" sustainable and resilient recovery practices, which are required to avoid future systemic vulnerabilities.

ESCAP adopted a three-step approach to developing the dataset (annex 2). Data were collected between January and July 2021. Based on the data collected, each of the trade facilitation measures included in the survey was rated as "fully implemented", "partially implemented", "on a pilot basis" or "not implemented". Definitions for each stage are provided in annex 3. A score (weight) of 3, 2, 1 and 0 was assigned to each of the four implementation stages in order to calculate implementation scores for individual measures across countries, regions or groupings. Country groupings used in the analysis are shown in figure 1.

4. Available at https://www.unescap.org/kp/cpta
5. Trade finance facilitation was an optional indicator in the 2019 survey and three regional commissions: UN ESCAP, UN ESCWA and UN ECE used this optional indicator in their survey. In 2021, this indicator is developed in cooperation with the ICC and surveyed across all regions.
The UN Global Survey on Digital and Sustainable Trade Facilitation 2021 reveals that North and Central Asia countries’ average implementation of a common set of 31 trade facilitation and paperless trade measures stands at 71.4%, significantly higher than the Asia-Pacific regional average of 64.9% (figure 1).6

6. The survey questionnaire covers 58 trade facilitation measures which are categorized into eleven sub-groups, namely: ‘Transparency’, ‘Formalities’, ‘Institutional Cooperation and Arrangement’, ‘Paperless Trade’, ‘Cross-border Paperless Trade’, ‘Transit facilitation’, ‘Trade Facilitation for SMEs’, ‘Trade Facilitation for Agricultural Trade’, ‘Women and Trade Facilitation’, ‘Trade Finance Facilitation’ and ‘Trade Facilitation in Times of Crisis and Pandemic’. The General Trade Facilitation measures and Transit Facilitation measures are essentially measures featured in the WTO TFA. In contrast, most Paperless Trade and, in particular, Cross-border Paperless Trade measures, are not specifically featured in the WTO TFA, although their implementation in many cases would support the better and digital implementation of the TFA. To better reflect trade facilitation in the context of SDGs, three subgroups of Trade Facilitation measures including ‘Trade Facilitation for SMEs’, ‘Trade Facilitation for Agricultural Trade’ and ‘Women in Trade Facilitation’ were also added to the Survey in 2019. The 2021 Survey added “Other Trade Facilitation” group with ‘Trade Finance Facilitation’ and ‘Trade Facilitation in Times of Crisis’.
The implementation rate of trade facilitation measures varies widely across the North and Central Asia countries. Azerbaijan, the Russian Federation and Georgia have high implementation rates of over 80%. Compared to the regional average, Kazakhstan and Kyrgyzstan have reached a higher implementation rate, standing at 72% and 70%, respectively. In contrast, Tajikistan stands at 51%, followed by Armenia and Uzbekistan, with an implementation rate of 62%.

Source: UN Global Survey on Digital and Sustainable Trade Facilitation, 2021, untfsurvey.org, 2021
North and Central Asia countries have implemented trade facilitation measures related to transparency to a large extent. The implementation rates of all these measures are around 90%. Measures related to formalities also have a relatively high implementation rate, standing at over 80%. It is important to recognize the impressive progress in implementing cross-border paperless trade. It reveals the active work from North and Central Asia over the past two years, 15 percentage points increase since 2019 despite the COVID-19 pandemic and the subsequent supply chain disruptions. The implementation of 'Women in Trade Facilitation' stands at only 39%. For sustainable trade facilitation measures, there is still room for improvement for 'Women in Trade Facilitation' for the North and Central Asia countries. Measures relating to trade finance facilitation are the least implemented sub-group of measures, standing at just 31% (figure 3).

Figure 3. Implementation of different groups of trade facilitation measures by North and Central Asia countries

Source: UN Global Survey on Digital and Sustainable Trade Facilitation, unftsurvey.org, 2021
2.1 Most And Least Implemented Trade Facilitation Measures

Table 2 provides information on the most and least implemented trade facilitation measures under each sub-group included in the survey. For example, the measure of ‘advance publication/notification of new trade-related regulations before their implementation’ is the most implemented measure under ‘Transparency’. ‘Government agencies delegating border controls to customs authorities’ is the least implemented measure in the ‘Institutional arrangement and cooperation’ sub-group.

Table 2. Most and least implemented measures in each sub-group of trade facilitation measures by North and Central Asia countries

<table>
<thead>
<tr>
<th>Sub-groups</th>
<th>Most implemented (% of countries)</th>
<th>Least implemented (% of countries)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Measure</td>
<td>Measure</td>
</tr>
<tr>
<td></td>
<td>Implemented fully, partially and on a pilot basis (%) / Full implementation (%)</td>
<td>Implemented fully, partially and on a pilot basis (%) / Full implementation (%)</td>
</tr>
<tr>
<td>Transparency</td>
<td>Advance publication/notification of new trade-related regulations before their implementation 100.0 / 87.5</td>
<td>Advance ruling on tariff classification and origin of imported goods 87.5 / 62.5</td>
</tr>
<tr>
<td>Formalities</td>
<td>Separation of Release from final determination of customs duties, taxes, fees and charges 100.0 / 87.5</td>
<td>TF measures for authorized operators 100.0 / 25.0</td>
</tr>
<tr>
<td>Institutional arrangement and cooperation</td>
<td>National Trade Facilitation Committee or similar body 75.0 / 62.5</td>
<td>Government agencies delegating border controls to Customs authorities 62.5 / 37.5</td>
</tr>
<tr>
<td>Paperless trade</td>
<td>Internet connection available to Customs and other trade control agencies Automated Customs System 100.0 / 100.0</td>
<td>Electronic Submission of Air Cargo Manifests 50.0 / 12.5</td>
</tr>
<tr>
<td>Cross-border paperless trade</td>
<td>Recognized certification authority 75.0 / 50.0</td>
<td>Electronic exchange of Sanitary &amp; Phyto-Sanitary Certificate 25.0 / 12.5</td>
</tr>
<tr>
<td>Transit facilitation</td>
<td>Limit the physical inspections of transit goods and use risk assessment 75.0 / 75.0</td>
<td>Transit facilitation agreement(s) 50.0 / 0.0</td>
</tr>
<tr>
<td>Trade facilitation for SMEs</td>
<td>Trade-related information measures for SMEs 100.0 / 62.5</td>
<td>Electronic application and issuance of SPS certificates 87.5 / 0.0</td>
</tr>
<tr>
<td>Agricultural trade facilitation</td>
<td>Special treatment for perishable goods 100.0 / 62.5</td>
<td>Electronic application and issuance of SPS certificates 75.0 / 12.5</td>
</tr>
<tr>
<td>Women in trade facilitation</td>
<td>TF policy/strategy to increase women’s participation in trade 62.5 / 25.0</td>
<td>TF measures to benefit women involved in trade 62.5 / 12.5</td>
</tr>
<tr>
<td>Trade finance facilitation</td>
<td>Authorities engaged in blockchain-based supply chain project covering trade finance 37.5 / 25.0</td>
<td>Single Window facilitates traders access to finance 25.0 / 12.5</td>
</tr>
<tr>
<td>Trade facilitation in times of crisis</td>
<td>Online publication of emergency TF measures 87.5 / 62.5</td>
<td>Additional trade facilitation measures to facilitate trade in times of emergencies 87.5 / 0.0</td>
</tr>
</tbody>
</table>

Source: UN Global Survey on Digital and Sustainable Trade Facilitation, unftsurvey.org, 2021
Figure 4 shows the level of implementation of measures directly related to the WTO TFA requirements, based on data collected during the survey. The results are broadly consistent with the information provided by countries in official notifications to the WTO. The most implemented measure in North and Central Asia countries is 'advance publication/notification of new regulations before their implementation', which most North and Central Asia countries have fully implemented. Even though 'TF measures for authorized operators' is the least implemented measure, over 20% of countries in North and Central Asia fully implemented with an additional 40% declaring that they have partially implemented it.

Figure 4. Level of implementation of WTO-TFA related measures (excluding transit) by North and Central Asia countries
2.2 Progress In Implementation between 2019 and 2021

There is significant progress in trade facilitation implementation in North and Central Asia between 2019 and 2021. The average implementation rate increased by approximately six percentage points, from 65% in 2019 to 71% in 2021. The highest progress is recorded in Kyrgyzstan, whose implementation rate increased by nearly 33 percentage points, from 37% in 2019 to 70% in 2021, followed by Kazakhstan, from 66% in 2019 to 72% in 2021 (figure 5).

Figure 5. Trade facilitation implementation by North and Central Asia members between 2019 and 2021

Source: UN Global Survey on Digital and Sustainable Trade Facilitation, untfsurvey.org, 2021

The North and Central Asia countries made the most progress in implementing ‘Cross-border Paperless Trade’ between 2019 and 2021, with implementation rates rising by approximately 15 percentage points. The implementation of ‘Formalities’ has also increased 6 percentage points from 76% in 2019 to 82% in 2021. In contrast, ‘Transparency’ saw modest growth of 3 percentage points (figure 6).

Figure 6. Average implementation of different sub-groups of trade facilitation measures by North and Central Asia countries between 2019 and 2021

Source: UN Global Survey on Digital and Sustainable Trade Facilitation, untfsurvey.org, 2021
3 Implementation of Trade Facilitation Measures: A Closer Look

3.1 Transparency

‘Transparency’ includes five measures related to Articles 1-5 of the WTO TFA and GATT Article X on "Publication and Administration of Trade Regulations". The average level of implementation of this sub-group by North and Central Asia countries is at 87%, significantly higher than the Asia-Pacific average.
Figure 7 suggests that the implementation of all measures in 'Transparency' by North and Central Asia has exceeded the regional average. The implementation rate of 'advance publication/notification of new trade-related regulations before their implementation' stands at over 95%, making it the most implemented measure. Subregional implementation of 'stakeholders' consultation on new draft regulations (prior to their finalization)' and 'independent appeal mechanism' both achieve 92%, followed by 'publication of existing import-export regulations on the internet' standing at 88%.

Figure 8 shows that 'advance publication/notification of new trade-related regulations before their implementation' is the most fully implemented measure, fully implemented by nearly 90% of the countries in this sub-region. 'Independent appeal mechanism', 'stakeholders' consultation on new draft regulations (prior to their finalization)' and 'publication of existing import-export regulations on the internet' have been implemented by all North and Central Asia countries at least on a partial basis. 'Advance ruling on tariff classification and origin of imported goods' has not been implemented in about 15% of the countries, making it the least implemented measure in the sub-group.
3.2 Formalities

Eight of the general trade facilitation measures included in the survey are grouped as ‘Formalities’ sub-group related to streamlining trade procedures. They reflect the requirements of Articles 6-10 of the WTO TFA and GATT Article VIII on "Release and Clearance of Goods". The implementation levels of most of the measures in ‘Formalities’ are over 81% this year.

‘Acceptance of copies of original supporting documents required for import, export or transit formalities’ and ‘separation of release from the final determination of customs duties, taxes, fees and charges’ are the measures with the highest implementation rates in the sub-region, both standing at 92%. Sub-regional implementation rates of ‘post-clearance audits’, ‘risk management’, ‘pre-arrival processing’ have also reached over 80% (figure 9).

All measures in the ‘Formalities’ have been fully or partially implemented in over 60% of the countries. The least implemented measure is 'TF measures for authorized operators', which has been fully implemented by only 2 countries, namely Russian Federation and Georgia (figure 10).

**Figure 9. State of implementation of 'Formalities' by North and Central Asia and Asia-Pacific**

![Graph showing the state of implementation of 'Formalities' by North and Central Asia and Asia-Pacific]

Source: UN Global Survey on Digital and Sustainable Trade Facilitation 2021, untfsurvey.org.

**Figure 10. State of implementation of trade 'Formalities' in North and Central Asia**

![Bar chart showing the state of implementation of trade 'Formalities' in North and Central Asia]

Source: UN Global Survey on Digital and Sustainable Trade Facilitation 2021, untfsurvey.org.
3.3 Institutional Arrangement and Cooperation

Three trade facilitation measures featured in the survey are grouped into 'Institutional Arrangement and Cooperation'. They are related to the long-standing recommendation that a national trade facilitation body be implemented to ensure coordination and cooperation among the various government agencies and other stakeholders involved in trade facilitation activities. All three measures are also specified in various Articles of the WTO TFA. The implementation rate of the three measures in North and Central Asia stands at 70%, higher than the Asia-Pacific regional average level.

Figure 11 reveals that the state of implementation of each measure in this sub-group varies widely. The implementation rate of the 'national legislative framework and/or institutional arrangements for border agencies cooperation' is over 80%, followed by 'national trade facilitation committee or similar body'. On the other hand, over 35% of countries in this sub-region have not implemented 'government agencies delegating border controls to Customs authorities', which makes it the least implemented measure in this sub-group (figure 12).

Figure 11. State of implementation of ‘Institutional Arrangement and Cooperation’ measures for trade facilitation by North and Central Asia and Asia-Pacific

![Graph showing the state of implementation of the three measures in North and Central Asia and Asia-Pacific.]

Source: UN Global Survey on Digital and Sustainable Trade Facilitation, untfsurvey.org, 2021

Figure 12. State of implementation of 'Institutional Arrangement and Cooperation' measures for trade facilitation in North and Central Asia

![Graph showing the state of implementation of the three measures in North and Central Asia.]

Source: UN Global Survey on Digital and Sustainable Trade Facilitation, untfsurvey.org, 2021
3.4 Transit Facilitation

Four trade facilitation measures included in the survey relate specifically to ‘Transit Facilitation’ and the WTO TFA Article 11 on “Freedom of Transit”. These measures intend to simplify, as much as possible, the formalities associated with traffic in transit, allowing goods to be seamlessly transported through one or more transit countries. These measures are particularly important to landlocked developing countries, where goods typically need to go through a neighbouring country’s territory for transit. The implementation level of ‘Transit Facilitation’ in the sub-region is around 77%, slightly lower than that of the Asia-Pacific region.

‘Limit the physical inspections of transit goods and use risk assessment’ is the most implemented measure with the sub-regional implementation rate standing at 90%, followed by ‘cooperation between agencies of countries involved in transit’ standing at 83% (figure 13).

‘Limit the physical inspections of transit goods and use risk assessment’ and ‘cooperation between agencies of countries involved in transit’ fully implemented by over 60% and 50% of the countries in North and Central Asia, respectively. ‘Transit facilitation agreement(s)’ has not yet been implemented in approximately 15% of the countries, making it the least implemented measure in the sub-region (figure 14).

Figure 13. State of implementation of ‘Transit Facilitation’ by North and Central Asia and Asia-Pacific

Source: UN Global Survey on Digital and Sustainable Trade Facilitation 2021, untfsurvey.org.

Figure 14. State of implementation of ‘Transit Facilitation’ in North and Central Asia

Source: UN Global Survey on Digital and Sustainable Trade Facilitation, untfsurvey.org, 2021
3.5 Paperless Trade

Nine of the trade facilitation measures included in the survey are grouped into ‘Paperless Trade’ sub-group. All these measures involve using and applying modern information and communication technologies (ICT) to trade formalities, starting from the availability of internet connections at border-crossings and customs automation to full-fledged electronic Single Window facilities. Many of the measures featured here are closely related to those specified in the WTO TFA. However, the new WTO agreement typically only encourages economies to implement such measures rather than make them a requirement.

There is a huge gap between the highest (100%) and the lowest (29%) implementation rates of measures in ‘Paperless Trade’ sub-group in North and Central Asia. As shown in figure 15, the implementation rate of ‘internet connection available to customs and other trade control agencies’ is 100% followed by ‘automated customs system’ (over 90%) and ‘e-payment of customs duties and fees’ (88%). In contrast, the least implemented measure is ‘electronic submission of air cargo manifests’, with the implementation rate of 29%.

All countries in the sub-region fully have implemented ‘internet connection available to customs and other trade control agencies’. The least implemented measure ‘electronic submission of air cargo manifests’ has not yet been implemented by 50% of countries in North and Central Asia (figure 16).

Figure 15. State of implementation of ‘Paperless Trade’ by North and Central Asia and Asia-Pacific

Source: UN Global Survey on Digital and Sustainable Trade Facilitation, untfsurvey.org, 2021

Figure 16. State of implementation of ‘Paperless Trade’ in North and Central Asia

Source: UN Global Survey on Digital and Sustainable Trade Facilitation, untfsurvey.org, 2021
3.6 Cross-border Paperless Trade

'Cross-border Paperless Trade' includes six measures. Two measures, namely 'laws and regulations for electronic transactions' and 'recognized certification authority', are basic building blocks towards enabling the exchange and legal recognition of trade-related data and documents among stakeholders within a country and ultimately between stakeholders along the entire international supply chain. The other four measures relate to the implementation of systems enabling the actual exchange of trade-related data and documents across borders to remove the need for sending paper documents.

The average implementation rate of 'Cross-border paperless trade' in North and Central Asia stands at 48%. The implementation levels of measures such as 'electronic exchange of certificate of origin' and 'electronic exchange of sanitary & phytosanitary certificates' are lower than the Asia-Pacific average (figure 17). Figure 18 shows that over 70% of countries in this sub-region have fully or partially implemented 'recognized certification authority', 'electronic exchange of customs declaration' and 'laws and regulations for electronic transactions'. 'Electronic exchange of Sanitary & Phyto-Sanitary certificate' is the least implemented measure, which has not been implemented in 70% of the countries.

Figure 17. State of implementation of 'Cross-border Paperless Trade' by North and Central Asia and Asia-Pacific

Figure 18. State of implementation of 'Cross-border Paperless Trade' in North and Central Asia

Source: UN Global Survey on Digital and Sustainable Trade Facilitation, untfsurvey.org, 2021
3.7 Trade Facilitation for SMEs

The Asia-Pacific average level of implementation of all five measures in 'Trade Facilitation for SMEs' varies widely (figure 19). Subregional average stands at 60%.

In North and Central Asia 'Trade-related information measures for SMEs' is the most implemented measure and lies above the Asia Pacific average, with the implementation rate standing at 83%, followed by 'SMEs access Single Window' and 'SMEs in National Trade Facilitation Committee', both achieving 63%. The implementation rate of 'other special measures for SMEs' stands at 54%. The least implemented measure is 'SMEs in AEO scheme' which has not been implemented in approximately 40% of the countries (figure 20).

Figure 19. State of implementation of 'Trade Facilitation for SMEs' by North and Central Asia and Asia-Pacific

Source: UN Global Survey on Digital and Sustainable Trade Facilitation, untfsurvey.org, 2021

Figure 20. State of implementation of 'Trade Facilitation for SMEs' in North and Central Asia

Source: UN Global Survey on Digital and Sustainable Trade Facilitation, untfsurvey.org, 2021
3.8 Agriculture Trade Facilitation

The North and Central Asia subregional average implementation rate of 'Agricultural Trade Facilitation' stands at 69%, higher than the Asia-Pacific average. 'Special treatment for perishable goods' is the most implemented measure, with an implementation rate of 88%, followed by 'testing and laboratory facilities available to meet SPS of main trading partners' standing at 75%. The least implemented measure in this sub-group is 'electronic application and issuance of SPS certificates' with an subregional implementation rate standing at 46% (figure 21).

'Special treatment for perishable goods' has been implemented by all countries in the subregion at least on a partial basis. 'Testing and laboratory facilities available to meet SPS of main trading partners' and 'national standards and accreditation bodies to facilitate compliance with SPS' has been fully or partially implemented by approximately 90% of countries. Only about 10% of the countries in the sub-region have fully implemented the 'measure of electronic application and issuance of SPS certificates' (figure 22).

Figure 21. State of implementation of 'Agricultural Trade Facilitation' by North and Central Asia and Asia-Pacific

Source: UN Global Survey on Digital and Sustainable Trade Facilitation, untfsurvey.org, 2021

Figure 22. State of implementation of 'Agricultural Trade Facilitation' in North and Central Asia

Source: UN Global Survey on Digital and Sustainable Trade Facilitation, untfsurvey.org, 2021
3.9 Women in Trade Facilitation

The North and Central Asia overall level of implementation of the three 'Women in Trade Facilitation' measures stands at 39%, higher than the Asia-Pacific average. 'TF policy/strategy to increase women’s participation in trade' is the most implemented measure standing at 46%, followed by 'women membership in the National Trade Facilitation Committee or similar bodies' standing at 42%. The least implemented measure in this sub-group is 'TF measures to benefit women involved in trade' which implementation rate does not exceed 30% (figure 23).

All of the measures under this sub-group have, to some extent, been introduced by 60% of countries. However, implementation is mainly on a partial and pilot basis. Specific measures include but are not limited to having a gender focal point in the relevant border agencies, promoting balanced participation of men and women in trainings, to offering specific trainings for women involved in trade. 'Women membership in the National Trade Facilitation Committee or similar bodies' and 'TF policy/strategy to increase women's participation in trade' have both been fully implemented in only 20% of the countries. Only 10% of countries have fully implemented 'TF measures to benefit women involved in trade', making it the least implemented measure (figure 24).

Gender equality and women's empowerment are important elements of the Sustainable Development Agenda, however, women still face barriers to participating in trade and trade facilitation. With the development of gender equality, it is time for more countries to consider feasible measures that enhance gender balance in national trade facilitation committees and incorporate strategies to increase women's participation in trade.

Figure 23. State of implementation of 'Women in Trade Facilitation' by North and Central Asia and Asia-Pacific

Source: UN Global Survey on Digital and Sustainable Trade Facilitation, untfsurvey.org, 2021

Figure 24. State of implementation of 'Women in Trade Facilitation' in North and Central Asia

Source: UN Global Survey on Digital and Sustainable Trade Facilitation, untfsurvey.org, 2021
3.10 Trade Finance Facilitation

'Trade Finance Facilitation' is the least implemented sub-group of measures in North and Central Asia. The most implemented measure in this sub-group is 'variety of trade finance services available' and 'authorities engaged in blockchain-based supply chain project covering trade finance', with over 30% of countries declaring that it has been fully or partially implemented. The implementation rates of 'single window facilitates traders access to finance' is relatively low, with only 10% of countries implementing the measures on a fully basis and over 60% of countries having not implemented it (figure 25).

However, data on this topic was challenging to collect as part of the survey. For example, no evidence of the implementation of Single Window features that facilitate traders’ access to finance could be obtained from trade facilitation experts and officials who provided or validated the survey, indicating general unfamiliarity with trade finance. Traditional trade facilitation actors, including Customs and Ministries in charge of trade, may see procedures related to financing and payment of international trade transactions as outside their scope of work. However, given the interdependence between goods and financial flows, the results suggest a need for greatly enhanced coordination and cooperation between them and those involved in developing financial and payment services.

Figure 25. State of implementation of 'Trade Finance Facilitation' in North and Central Asia

Source: UN Global Survey on Digital and Sustainable Trade Facilitation, unftsurvey.org, 2021
3.11 Trade Facilitation in Times of Crisis

'Trade Facilitation Measures in Times of Crisis' has been incorporated in the 2021 survey for the first time in the context of the COVID-19 pandemic. The outbreak of COVID-19 has impeded global trade unprecedentedly, and the ongoing impact has created considerable uncertainties to the global supply chain. The implementation level of this sub-group by North and Central Asia stands at 68%, higher than the Asia-Pacific average.

'Coordination between countries on emergency TF measures' is the measure with the highest implementation rate standing around 80%, followed by 'online publication of emergency TF measures' and 'plan in place to facilitate trade during future crises' with subregional implementation rate over 70%, substantially higher than that of the subregional average (figure 26).

'Agency in place to manage TF in times of crises and emergencies', 'plan in place to facilitate trade during future crises' and 'online publication of emergency TF measures' have been fully or partially implemented by over 70% of countries. All countries have fully or partially implemented 'coordination between countries on emergency TF measures', which makes it the most implemented measure in this sub-group. 'Additional trade facilitation measures to facilitate trade in times of emergencies' has not been implemented by over 10% of countries (figure 27).

Figure 26. State of implementation of 'Trade Facilitation in Times of Crisis' by North and Central Asia and Asia-Pacific

Source: UN Global Survey on Digital and Sustainable Trade Facilitation, untfsurvey.org, 2021

Figure 27. State of implementation of 'Trade Facilitation in Times of Crisis' in North and Central Asia

Source: UN Global Survey on Digital and Sustainable Trade Facilitation, untfsurvey.org, 2021
Assessing the Impact of Trade Facilitation in North and Central Asia

To assess the potential impact of the implementation of trade facilitation measures in North and Central Asia, a trade cost model has been formulated as a function of trade facilitation implementation rates based on the UN Survey data presented above. This is, in addition to other traditional trade cost factors such as natural geographic factors (distance, "landlockedness", and contiguity), cultural and historical distance (e.g., common official language, former colonial relationships), the presence of regional trade agreements and maritime connectivity. The model is based on ADB/ESCAP (2021) by capturing the changes in trade costs resulting from the implementation of trade facilitation measures by each country.

The overall trade cost reductions expected in North and Central Asia from the implementation of three sets of trade facilitation measures are shown in table 3. The first set of trade facilitation measures is limited to the implementation of WTO TFA binding measures only. The second set of measures includes all binding and non-binding WTO TFA measures included in the Survey. The final and most ambitious set is a WTO TFA+ set of measures, including digital implementation of TFA measures and cross-border paperless trade. For each set of measures, the average changes in trade costs achieved if all North and Central Asia countries at least partially implement all measures or if they are all fully implemented all measures are calculated.

7. The list of binding and non-binding WTO TFA measures is available in the Appendix of ADB/ESCAP (2021)
Table 3. Changes in trade costs in North and Central Asia resulting from implementation of trade facilitation and paperless trade

<table>
<thead>
<tr>
<th>NCA: trade costs model</th>
<th>WTO TFA (binding only)</th>
<th>WTO TFA (binding + non-binding)</th>
<th>WTO TFA+ (binding + non-binding + other paperless and cross-border paperless trade)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Partially implemented</td>
<td>Fully implemented</td>
<td>Partially implemented</td>
</tr>
<tr>
<td>Model 1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Overall trade facilitation</td>
<td>-1.42%</td>
<td>-3.75%</td>
<td>-1.93%</td>
</tr>
<tr>
<td>Model 2</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General trade facilitation measures</td>
<td>-0.52%</td>
<td>-1.33%</td>
<td>-0.62%</td>
</tr>
<tr>
<td>Digital trade facilitation measures</td>
<td>-0.50%</td>
<td>-1.68%</td>
<td>-0.80%</td>
</tr>
</tbody>
</table>

Source: The list of binding and non-binding WTO TFA measures is available in the Appendix of ADB/ESCAP (2021)

Two main findings emerge from this impact analysis. First, complying with the WTO TFA by implementing binding measures can only slightly reduce trade costs. Full implementation of binding measures in the overall trade facilitation model results in a decrease of trade costs of about 3.8%, while full implementation of all measures (both binding and non-binding) results in a 5.7% reduction. Second, the paperless implementation of the TFA measures, together with enabling the seamless electronic exchange of trade data and documents across borders, will help to significantly reduce trade costs by nearly 13% for North and Central Asia as a whole. The results of model 2 also suggest that most of the trade cost reductions are associated with paperless trade measures rather than conventional trade facilitation measures.

All North and Central Asia economies will reap significant benefits from accelerating the implementation of trade facilitation. As shown in figure 28, the full implementation of the three different sets of trade facilitation measures in all economies results in trade cost reductions for all economies. As expected, the trade cost reductions are much larger when cross-border paperless trade is achieved. However, achieving such trade cost reductions will require closer cooperation between economies on developing interoperable paperless trade systems, as envisaged in the CPTA (box 1).

Figure 28. Impact of trade facilitation implementation on trade costs of North and Central Asia economies

Source: UN Global Survey on Digital and Sustainable Trade Facilitation, untfsurvey.org, 2021
Box 1. Continued efforts to accelerate trade digitalization via a United Nations Treaty

The Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific (CPTA), a United Nations treaty, aims to promote cross-border paperless trade by enabling the exchange and mutual recognition of trade-related data and documents in electronic form and facilitating interoperability among national and subregional Single Windows and/or other paperless trade systems. It is designed as an inclusive and enabling platform that will benefit all participating economies, regardless of where they stand in terms of trade facilitation or single window/paperless trade implementation.

The treaty was adopted by the ESCAP members in May 2016. On 20 February 2021, it entered into force, which indicates ESCAP members’ continued efforts on acceleration of trade digitalization in the region. As stated in Article 19 of the Agreement, it entered into force 90 days after the date on which the Governments of at least five ESCAP member States have deposited their instruments of ratification or accession. Azerbaijan acceded in March 2018, and the Philippines acceded in December 2019. The Islamic Republic of Iran ratified in May 2020, Bangladesh ratified in October 2020 and China, as the fifth country, ratified in November 2020. In addition, Armenia and Cambodia signed in 2017. Furthermore, several other ESCAP member States are in the process of completing their domestic processes for accession.

Achieving cross-border paperless trade across the region is a long and difficult endeavour; it cannot be achieved without close collaboration between countries, and requires high-level commitment and vision of countries to harnessing the benefits from trade digitalization. The CPTA is expected to support the process by providing a dedicated institutional framework for countries with proven political will to develop legal and technical solutions for cross-border paperless trade, including through pilot projects, capacity-building and technical assistance, based on existing international standards. Some of the benefits for ESCAP member States who become parties to the CPTA include:

(a) Accelerated progress towards a digital and paperless trade environment at the national level, with the opportunity to integrate emerging cross-border paperless trade considerations and best practices early in the development of national Single Windows and other paperless trade systems;

(b) A reduction in overall investment costs and maximization of returns from investments in paperless trade systems, through concurrent development of national paperless trade systems and environment for cross-border trade data exchange;

(c) Increased opportunities for capacity-building through training, workshops and knowledge-sharing platforms as well as easier access to information, knowledge and resources to achieve full digital implementation of the WTO Trade Facilitation Agreement;

(d) Direct participation in the development of pragmatic solutions for the cross-border exchange of trade documents. For more advanced countries with relevant experience and existing practices, this will enable them to ensure that new regional systems and solutions will be harmonized and interoperable with what they have already achieved on a bilateral and/or subregional basis;

(e) Compliance with commitments the Party may have made through in its bilateral and plurilateral trade agreements, such as regional trade agreements (RTAs) to collaborate on exchanging electronic data and documents (typically featured in “Paperless Trading” Articles in RTAs, or related provisions or agreements).

More details on the CPTA, including a draft implementation roadmap, are available at https://www.unescap.org/kp/cpta
Conclusion and Way Forward

This report presents digital and sustainable trade facilitation implementation data collected from all North and Central Asia countries and another 38 economies across the Asia-Pacific region. The survey not only covers the implementation of general trade facilitation measures, including most of those featured in the WTO TFA, but also more advanced ICT-based trade facilitation measures, as well as measures aimed at the agricultural sector, SMEs, women traders, trade finance and in the context of emergency situations. Figure 29 confirms the strong relationship between the cost of international trade in Asia-Pacific countries and their level of implementation of trade facilitation.
This step-by-step process is inspired by, and generally consistent with the UN/CEFACT step-by-step approach to trade facilitation towards achieving a Single Window environment.

Sources: ESCAP-World Bank Trade Cost Database (July 2021 update) and United Nations Global Survey on Digital and Sustainable Trade Facilitation 2021, unftsurvey.org

Based on a package of 31 trade facilitation measures included in the survey, the average implementation of trade facilitation in the Asia-Pacific region is approximately 65%, an increase of six percentage points compared with the previous survey results. North and Central Asia performs better than the regional average, with an average implementation of 71%. The assessment reveals that most countries in the subregion have made great efforts to improve transparency, strengthen the coordination and cooperation among agencies, and streamline fees and formalities associated with trade transactions. While Customs authorities in all the countries surveyed have been actively developing paperless systems to speed up customs clearance while also improving control, all countries in the subregion are now also engaged in implementing more advanced national multi-agency paperless systems, such as national electronic Single Window that enable electronic data and information sharing among government agencies and businesses to serve the purpose of paperless trade.8

However, the implementation of cross-border paperless trade remains low. This is not surprising given that, on the one hand, many developing economies in the region are at an early stage of developing the national paperless system, while on the other hand, more advanced countries have paperless systems in place that are not fully interoperable with each other. In that regard, given the large potential benefits associated with the implementation of these next-generation trade facilitation measures, it is in the interest of countries from all groups to work together and develop the legal and technical protocols needed for the seamless exchange of regulatory and commercial data and documents along the international supply chain.

The CPTA is a United Nations treaty that aims to accelerate the implementation of digital trade facilitation measures for trade and development. Negotiated as an inclusive and flexible intergovernmental platform to enable the electronic exchange of trade-related data and documents across borders among parties, the CPTA is set to benefit all parties regardless of their current state of implementation of paperless trade. The CPTA entered into force in February 2021 and the first implementation meeting is to be held in April 2022. Therefore, all countries in the region are encouraged to become parties to the treaty as soon as possible to take advantage of what the agreement offers, especially in terms of accessing capacity building and technical assistance.

To further advance trade facilitation and paperless trade, figure 30 shows the implementation of trade facilitation as a step-by-step process, based on the measures included in this survey. Trade facilitation begins with setting up the "Institutional Arrangement" to prioritize and coordinate trade facilitation measures. The next step is to make the trade processes more "Transparent" by sharing information on existing laws, regulations and procedures as widely as possible and negotiating

To further advance trade facilitation and paperless trade, figure 30 shows the implementation of trade facilitation as a step-by-step process, based on the measures included in this survey. Trade facilitation begins with setting up the "Institutional Arrangement" to prioritize and coordinate trade facilitation measures. The next step is to make the trade processes more "Transparent" by sharing information on existing laws, regulations and procedures as widely as possible and negotiating

8. This step-by-step process is inspired by, and generally consistent with the UN/CEFACT step-by-step approach to trade facilitation towards achieving a Single Window environment.
with stakeholders when developing new ones. The third step is to design and implement simpler and more efficient trade 'Formalities'. The re-engineered and streamlined processes may first be implemented based on paper documents but can be further improved through ICT and 'Paperless Trade' systems. The ultimate step is to enable the electronic trade data and documents exchange by traders, Governments and service providers within national (Single Window and other) systems to be used and reused to provide stakeholders in partner countries with the information they need to speed up the movement of goods and reduce the overall costs of trade.

Figure 30. Moving up the trade facilitation ladder towards seamless international supply chains

Looking ahead, digital trade facilitation offers a great opportunity to reduce trade costs and increase trade volume in the subregion and beyond. This is particularly the case with the current COVID-19 crisis, which has accelerated digital transformation and underscored its importance for sustaining trade flows. Countries in the subregion have strived to improve their digital infrastructure to facilitate trusted and secure data-sharing among partners.

In terms of ‘Sustainable Trade Facilitation’, there is still room for improvement for "inclusive" measures to promote SMEs and the participation of women in trade. SMEs are important participants in the global economy and play an important role in digital trade, but trade facilitation measures tailored to SMEs are insufficient. Therefore, building the capacity of SMEs and taking them into account in trade facilitation policies are essential to achieve sustainable trade facilitation. The survey reveals a need for more understanding and cooperation among agencies responsible for trade finance and facilitation to ensure that trade finance and payment instruments are integrated into trade facilitation implementation strategies, including Single Window development plans. Given

Lastly, the COVID-19 pandemic has undoubtedly exposed the weaknesses of the global trading system. The newly incorporated 'Trade Facilitation in Times of Crisis' group shows that North and Central Asia countries have paid close attention to restoring trade, and the implementation level exceeded the regional average. Because the pandemic is not over and will continue to impact the global economy, there is still room for North and Central Asia countries to strengthen cooperation to minimize the pandemic's impact and improve emergency response capacity to contribute to recovery and adequately prepare for future crises. This includes the climate crisis, in which trade facilitation certainly has a mitigating role to play.10


# Annex 1. Grouping of trade facilitation measures and correspondence with TFA articles

<table>
<thead>
<tr>
<th>Groups</th>
<th>Sub-groups</th>
<th>Measures</th>
<th>Relevant TFA Articles</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>General TF</strong></td>
<td><strong>Transparency</strong></td>
<td>Publication of existing import-export regulations on the Internet</td>
<td>1.2</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Stakeholders’ consultation on new draft regulations (prior to their finalization)</td>
<td>2.2</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Advance publication/notification of new trade-related regulations before their implementation (e.g., 30 days prior)</td>
<td>2.1</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Advance ruling on tariff classification and origin of imported goods</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Independent appeal mechanism (for traders to appeal customs rulings and the rulings of other relevant trade control agencies)</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td><strong>Formalities</strong></td>
<td>Risk management (as a basis for deciding whether a shipment will be physically inspected or not)</td>
<td>7.4</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Pre-arrival processing</td>
<td>7.1</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Post-clearance audits</td>
<td>7.5</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Separation of release from final determination of customs duties, taxes, fees and charges</td>
<td>7.3</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Establishment and publication of average release times</td>
<td>7.6</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Trade facilitation measures for authorized operators</td>
<td>7.7</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Expedited shipments</td>
<td>7.8</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Acceptance of copies of original supporting documents required for import, export, or transit formalities</td>
<td>10.2.1</td>
</tr>
<tr>
<td><strong>Institutional arrangement and cooperation (5 measures)</strong></td>
<td></td>
<td>Establishment of a National Trade Facilitation Committee or similar body</td>
<td>23</td>
</tr>
<tr>
<td></td>
<td></td>
<td>National legislative framework and/or institutional arrangements for border agencies cooperation</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Government agencies delegating border controls to Customs authorities</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Alignment of working days and hours with neighbouring countries at border crossings</td>
<td>8.2(a)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Alignment of formalities and procedures with neighbouring countries at border crossings</td>
<td>8.2(b)</td>
</tr>
<tr>
<td><strong>Transit facilitation (4 measures)</strong></td>
<td></td>
<td>Transit facilitation agreement(s) with neighboring country(ies)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Customs authorities limit the physical inspections of transit goods and use risk assessment</td>
<td>10.5</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Supporting pre-arrival processing for transit facilitation</td>
<td>11.0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Cooperation between agencies of countries involved in transit</td>
<td>11.16</td>
</tr>
<tr>
<td>Groups</td>
<td>Sub-groups</td>
<td>Measures</td>
<td>Relevant TFA Articles</td>
</tr>
<tr>
<td>------------------------</td>
<td>--------------------------------</td>
<td>-----------------------------------------------------------------------------------------------------------------------------------------------</td>
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</tr>
<tr>
<td></td>
<td>Paperless trade</td>
<td>Automated Customs System (e.g. ASYCUDA)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(10 measures)</td>
<td>Internet connection available to Customs and other trade control agencies at border-crossings</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Electronic Single Window System</td>
<td>10.4</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Electronic submission of Customs declarations</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>Electronic application and issuance of import and export permit</td>
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<td></td>
<td></td>
<td>Electronic Submission of Sea Cargo Manifests</td>
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<td></td>
<td></td>
<td>Electronic Submission of Air Cargo Manifests</td>
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<td></td>
<td></td>
<td>Electronic application and issuance of Preferential Certificate of Origin</td>
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<td></td>
<td></td>
<td>E-Payment of Customs Duties and Fees</td>
<td>7.2</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Electronic Application for Customs Refunds</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Cross-border paperless trade</td>
<td>Laws and regulations for electronic transactions are in place (e.g., e-commerce law, e-transaction law)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(6 measures)</td>
<td>Recognized certification authority issuing digital certificates to traders to conduct electronic transactions</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>Electronic exchange of Customs Declaration</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>Electronic exchange of Certificate of Origin</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>Electronic exchange of Sanitary &amp; Phyto-Sanitary Certificate</td>
<td></td>
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<td></td>
<td></td>
<td>Paperless collection of payment from a documentary letter of credit</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Trade facilitation for SMEs</td>
<td>Trade-related information measures for SMEs</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(5 measures)</td>
<td>SMEs in AEO scheme (i.e. Government has developed specific measures that enable SMEs to more easily benefit from the AEO scheme)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>SMEs access Single Window (i.e. Government has taken actions to make single windows more easily accessible to SMEs (e.g., by providing technical consultation and training services to SMEs on registering and using the facility.))</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>SMEs in National Trade Facilitation Committee (i.e. Government has taken actions to ensure that SMEs are well-represented and made key members of National Trade Facilitation Committees (NTFCs))</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Other special measures for SMEs</td>
<td></td>
</tr>
</tbody>
</table>
Annex 2: A three-step approach for data collection and validation

<table>
<thead>
<tr>
<th>Groups</th>
<th>Sub-groups</th>
<th>Measures</th>
<th>Relevant TFA Articles</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sustainable</td>
<td>Agricultural trade facilitation (4 measures)</td>
<td>Testing and laboratory facilities available to meet SPS of main trading partners</td>
<td></td>
</tr>
<tr>
<td>TF</td>
<td></td>
<td>National standards and accreditation bodies are established to facilitate compliance with SPS</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>Electronic application and issuance of SPS certificates</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>Special treatment for perishable goods at border-crossings</td>
<td>7.9</td>
</tr>
<tr>
<td></td>
<td>Women in trade facilitation (3 measures)</td>
<td>Trade facilitation policy/strategy to increase women’s participation in trade</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Trade facilitation measures to benefit women involved in trade</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Women membership in the National Trade Facilitation Committee or similar bodies</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Trade finance facilitation (3 measures)</td>
<td>Single window facilitates traders access to finance</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Authorities engaged in blockchain-based supply chain project covering trade finance</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Variety of trade finance services available</td>
<td></td>
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<td></td>
<td></td>
<td>Agency in place to manage TF in times of crises and emergencies</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Trade facilitation in times of crisis (5 measures)</td>
<td>Agency in place to manage TF in times of crises and emergencies</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>Online publication of emergency TF measures</td>
<td></td>
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<td></td>
<td></td>
<td>Coordination between countries on emergency TF measures</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>Additional trade facilitation measures to facilitate trade in times of emergencies</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Plan in place to facilitate trade during future crises</td>
<td></td>
</tr>
</tbody>
</table>

Data submission by experts: The ESCAP Secretariat sent the survey instrument to trade facilitation experts (in Governments, the private sector and academia) in Asia-Pacific countries to gather preliminary information. The questionnaire was also made publicly available online and disseminated with the support of the International Chamber of Commerce (ICC) and the United Nations Network of Experts for Paperless Trade and Transport for Asia and the Pacific (UNNExT). In some cases, the questionnaire was also sent to relevant national trade facilitation authorities or agencies as well as regional trade facilitation partners or organizations, such as the Asian Development Bank (ADB), the Association of Southeast Asian Nations (ASEAN), the Central Asia Regional Economic Cooperation (CAREC) Institute, the Oceania Customs Organization (OCO) and the United Nations Conference on Trade and Development (UNCTAD). This first step took place essentially between January and May 2021.

Data verification by the UNRCs Secretariat: The ESCAP Secretariat cross-checked the data collected in Step 1. Desk research and data sharing among UNRCs and survey partners were carried out to check the accuracy of data further. Face-to-face or telephone interviews with key informants were arranged to gather additional information when needed. Step 2 took place between January and May 2021. The outcome of Step 2 was a consistent set of responses per country.

Data validation by national governments: Step 3 took place between May and June 2021. The ESCAP Secretariat sent the completed questionnaire to each national Government to ensure that the country had the opportunity to review the dataset and provide any additional information. The feedback from national Governments was incorporated to finalize the dataset. In the case of ASEAN members, the preliminary data were also made available for review by the ASEAN Trade Facilitation Joint Consultative Committee (ATF-JCC).
Annex 3: Definition of each stage of implementation

<table>
<thead>
<tr>
<th>Stage of implementation</th>
<th>Coding/Scoring</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full Implementation: the trade facilitation measure implemented is in full compliance with commonly-accepted international standards, recommendations and conventions such as the Revised Kyoto Convention, UN/CEFACT Recommendations, or the WTO Trade Facilitation Agreement (TFA); it is implemented in law and in practice; it is available to essentially all relevant stakeholders nationwide, and supported by adequate legal and institutional frameworks, as well as adequate infrastructure and financial and human resources. A TFA provision included in the commitments given under Notifications of Category A may generally be considered as a measure, which is fully implemented by the country, with a caveat that the provision will be implemented by a Least-Developed Country (LDC) member within one year of the TFA agreement coming into force. If a country registers a positive response for all sub-questions concerning a given trade facilitation measure, that measure should be considered fully implemented.</td>
<td>3</td>
</tr>
<tr>
<td>Partial Implementation: a measure is considered to be partially implemented if at least one of the following is true: (1) the trade facilitation measure is in partial - but not in full - compliance with commonly-accepted international standards, recommendations and conventions; (2) the country is still in the process of rolling out the implementation of the measure; (3) the measure is being used but on an unsustainable, short-term or ad hoc basis; (4) the measure is implemented in some - but not all - targeted locations (such as key border crossing stations); or (5) some - but not all - targeted stakeholders are fully involved.</td>
<td>2</td>
</tr>
<tr>
<td>Pilot Stage of Implementation: a measure is considered to be at the pilot stage of implementation if, in addition to meeting the general attributes of partial implementation, it is available only to a very small portion of the intended stakeholder group (or at a certain location) and/or is being implemented on a trial basis. When a new trade facilitation measure is at the pilot stage of implementation, the old measure is often continuously used in parallel to ensure that the service is still provided even when there has been a disruption with the new measure. This stage of implementation also includes relevant rehearsals and preparation for the full implementation.</td>
<td>1</td>
</tr>
<tr>
<td>Not implemented: a measure has not been implemented at this stage. However, this stage may still include initiatives or efforts towards implementation of the measure. For example, under this stage, (pre)feasibility studies or planning for the implementation can be carried out; and consultation with stakeholders on the implementation may be arranged.</td>
<td>0</td>
</tr>
</tbody>
</table>

Based on the data collected, each of the trade facilitation measures included in the survey was rated as “fully implemented”, “partially implemented”, “on a pilot basis”, or “not implemented”. A score (weight) of 3, 2, 1 or 0 were assigned to each of the four implementation stages to calculate implementation scores for individual measures across countries, regions or groups. Definitions for each stage are provided in Annex 3.