

TRADE SECURITY

USE OF TRADE DATA TO IMPROVE COMPLIANCE

The ASW Agreement presents trade facilitation as the ultimate objective of the ASW, but member states are also keen to use the cross-border exchange of trade and customs data to meet trade security requirements. And member states can use electronic data to enhance trade security if they apply risk management techniques, start customs-business partnership programs, and have proper legal frameworks. To advance trade security objectives, the ASW Project led several activities in this area.

BUILT CAPACITY FOR RISK MANAGEMENT

The project organized two workshops on risk management and gave member states an opportunity to learn from each other's experiences in risk management and examine interagency coordination mechanisms for sharing of trade and customs data.

CONDUCTED CUSTOMS-BUSINESS PARTNERSHIP WORKSHOPS

The purpose of the regional and national workshops was to help member states design and expand their customs-business partnership programs. It also allowed them to share experiences and explore international practices. After the regional event, the General Department of Vietnam Customs held a national workshop focused on developing and finalizing its customs-business partnership work program.

SUPPORTED DRAFT CUSTOMS LAW IN VIETNAM

To support Vietnam's modernization of customs operations the project commented on the compatibility of the draft customs law with the Revised Kyoto Convention and the WCO SAFE Framework. The project also sponsored two public-private consultations workshops to elicit feedback on the new draft law.

TRAINED GOVERNMENT OFFICIALS IN STRATEGIC TRADE MANAGEMENT

The project conducted two training programs that helped member states and the ASEAN Secretariat understand best practices in strategic trade management and how these practices supplement and—through IT systems—complement trade facilitation mechanisms, such as single windows.

SUPPORTED LEGAL FRAMEWORKS IN THAILAND AND LAO PDR

National single windows allow government agencies to share data and make cargo clearance decisions, with direct impact both on trade facilitation and trade security. The project helped Thailand and Lao PDR draft frameworks that legally establish NSWs.



Vietnam Customs held two consultation workshops in Hanoi and Ho Chi Minh City, sponsored by the ASW Project, to elicit feedback on the draft Customs Law.



Contact:
Jennifer Collier Wilson
ASEAN Affairs Program Manager
USAID Regional Development Mission for Asia
jewilson@usaid.gov

LEGAL FRAMEWORK

PREDICTABLE, RULES-BASED ENVIRONMENT FOR ELECTRONIC DATA EXCHANGE

The ASEAN Single Window is expected to lead to a substantial amount of data being exchanged electronically within and among member states. A sound legal environment is essential for ensuring that users' rights are protected in the exchange of those data, that member states have adequate information security standards in place, that electronic signatures are accepted and that electronic documents are the functional equivalent of paper copies, that electronic data can be accessed and used in case of disputes, and that a dispute settlement mechanism is in place. The ASW Project helped ASEAN understand the intersection of law and technology and translate that understanding to legal agreements. Activities in this area included the following:

DEVELOPED LEGAL FRAMEWORK FOR ASW

The project's legal advisers provided background information, analysis, and draft text, based on international legal standards, to help ASEAN agree on a Memorandum of Understanding that provide basic legal coverage for the ASW pilot project. The project also helped member states develop legal text for the Protocol on the Legal Framework to Implement the ASW, still under discussion, which will govern the exchange of data among member states.

CONDUCTED WORKSHOPS ON LEGAL ASPECTS OF ASW

The project's legal advisers provided a mix of lectures and case studies on electronic signatures, authentication and certification, legal jurisdiction, data retention and archiving, information security, mutual recognition, and other topics. The project also disseminated a compendium of legal material to deepen member states' understanding of legal aspects of single windows.

HELPED MEMBER STATES UNDERSTAND GAPS IN THEIR LEGAL FRAMEWORKS

A regional legal framework is only as strong as the sum of its parts. The project conducted detailed legal gap analysis in Lao PDR, Philippines, and Vietnam following a United Nations checklist, including analysis of single window-enabling legislation and study of legal provisions covering data protection, data integrity, electronic signatures, liability, intellectual property rights protection, and dispute settlement.

HELPED MEMBER STATES DRAFT SINGLE WINDOW-ENABLING LEGISLATION

At the countries' request the project helped draft legal instruments in Lao PDR and Thailand that formally established their national single windows (pending passage). In Lao PDR, the project reviewed and commented on the draft e-transactions law, which was promulgated by the President of the Republic, with support from the ADVANCE LUNA Project.



Nathan Associates legal advisers support ASEAN in drafting a regional legal framework for electronic single window connectivity.



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Jennifer Collier Wilson
ASEAN Affairs Program Manager
USAID Regional Development Mission for Asia
jewilson@usaid.gov

PRIVATE SECTOR OUTREACH

TRADER-DRIVEN REGIONAL CONNECTIVITY

Involving the private sector early and often in trade facilitation initiatives is not a controversial topic. Yet, as the ASW Project started, some ASEAN officials expressed the concern that engaging with the private sector so early in the ASW development stages would unnecessarily raise expectations that cannot be met quickly, thereby undermining the effort from the start. The project helped member states develop a consultation program that would keep the private sector informed of ASW activities and solicit feedback when needed. Activities that the project helped ASEAN implement as part of this work program include:

LED PRIVATE SECTOR ROUNDTABLES AND WORKSHOPS ON ASW

The project discussed and obtained feedback from the private sector on the ASW value proposition, possible ASW end-state, and priorities for types of data to be exchanged in the system through dozens of events, large and small. The project also held roundtables, workshops, and one-on-one meetings to support the launch of national single windows in Lao PDR and Vietnam.

CONDUCTED THE FIRST REGIONAL PUBLIC-PRIVATE ASW/NSW SYMPOSIUM

The symposium updated public and private sector representatives on member states' national single window activities and ASW developments. Through the symposium's exhibit several member states demonstrated their single window services.

DEVELOPED AN ASW SIMULATION

The simulation showed how the ASW would work for a typical import and export transaction involving the cross-border exchange of data between traders and agencies in two member states.

CONDUCTED PRIVATE SECTOR SURVEY AND INTERVIEWS ABOUT THE ASW

The project entered into a memorandum of understanding with the U.S.-ASEAN Business Council and Oracle Corporation to conduct the survey and interviews, which clarified the possible benefits of the ASW and showed that the private sector desired more information on ASW objectives and functions.

DEVELOPED ASW OUTREACH MATERIAL

Materials included an overview flyer, brochures on specific activities, a poster, survey booklets, and a Flash presentation for distribution at conferences and other events.

DESIGNED AND DEVELOPED ASW WEB PORTAL

The portal has public and private access areas and provides news on NSW and ASW developments. It can be accessed through <http://www.asw.asean.org/>.



Malaysia displays its national single window services at the first ASW and NSW Symposium, held in September 2012 in Jakarta.



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Jennifer Collier Wilson
ASEAN Affairs Program Manager
USAID Regional Development Mission for Asia
jewilson@usaid.gov

TECHNICAL FOUNDATION

HARMONIZED AND SECURE ELECTRONIC DATA EXCHANGE

A national single window for cargo clearance helps traders meet regulatory requirements through a single entry point, preferably electronic. ASEAN Member States have committed to establishing NSWs and to connecting and integrating them through the ASEAN Single Window to facilitate the electronic exchange of trade and customs data across borders. Integrating the NSWs of 10 member states into the ASW is technically complex—requiring careful decisions about data and documents to be exchanged, data formats, messaging standards, communication systems, and routing mechanisms. The ASW Project helped outline options for the technical foundation of the ASW, including its value proposition, financial feasibility, governance, technical connectivity, and data structures. Key activities included the following:

DESIGNED, IMPLEMENTED, AND EVALUATED ASW PILOT IN SEVEN MEMBER STATES

The project analyzed connectivity options, including for routing, communication, message encoding, and security. After the design was agreed on, the project helped ASEAN implement it on a constrained budget. Seven member states exchanged more than 1,000,000 messages, consisting of certificate of origin and customs declaration forms. The evaluation of the pilot concluded that the test achieved all its objectives and that the ASW architecture could be expanded to include more features, different types of data, and more member states.

IDENTIFIED, ANALYZED, AND PRIORITIZED TRADE, CUSTOMS, AND TRANSPORT DATA

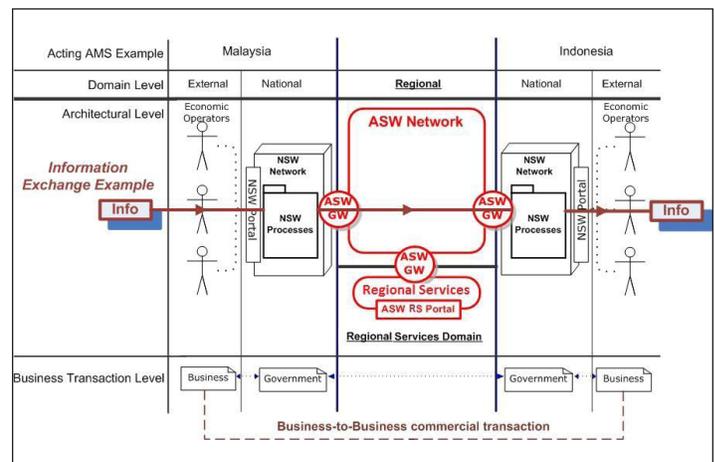
In addition to certificates of origin and customs declarations, the project examined other forms required for clearance: regulatory certificates and permits, invoices, packing lists, cargo manifests, and bills of lading. In the next phase these data will be incorporated in the NSW-to-NSW exchange and integrated into domestic clearance procedures.

ANALYZED THE SUSTAINABILITY OF THE ASW INITIATIVE

The project reviewed the ASW value proposition, explaining how it can facilitate trade and compliance, suggesting complementary measures, and researching similar cross-border data exchange initiatives around the world. The analysis covered financial feasibility and developed options and recommendations for the business model, governance structure, and staffing, and suggested a transition path for implementation.

DEVELOPED THE ASEAN DATA SET

The ASW project analyzed 13 forms used in cargo clearance to help ASEAN agree on common data formats for the electronic exchange of those forms. The project also developed two software applications for the processing and exchange of certificates of origin and customs declaration data and conducted workshops on business process analysis, data harmonization, and other topics.



In the architecture endorsed for the ASEAN Single Window, commercial and government data are exchanged directly between member states but pass through secure ASW Gateways in each member state. ASW Regional Services ensures that statistics are compiled and that regional reference data (e.g., tariff codes) are up to date.

SUPPORT TO NATIONAL SINGLE WINDOWS

STREAMLINING OF CARGO CLEARANCE

According to the World Bank, a one-day delay in cargo clearance reduces import and export volumes by about one percent. In ASEAN it takes more than 20 days on average to import or export goods. Member states can reduce cargo clearance times and facilitate trade by establishing national single windows. One member state, Singapore, has one of the world's best performing single windows, but those of other member states are at various stages of development. The ASW Project helped some member states launch NSW development, conduct single window legal gap analysis, and draft single window legislation.

HELPED LAUNCH VIETNAM'S NSW

The project organized public awareness activities for government, private sector, media, and donors; conducted a fact-finding mission; prepared and presented a master plan template for national single window implementation; and conducted single window legal gap analysis. The project also provided comments on Vietnam's draft customs law and conducted two large events to elicit comments from government and the private sector on the draft law.

HELPED LAUNCH LAO PDR'S NSW

The project organized public awareness roundtables and meetings with government officials, conducted a fact-finding mission, prepared and presented the Lao National Single Window Roadmap, provided training on certificate-of-origin processing software, and conducted a legal gap analysis. The Lao NSW roadmap entailed discussions on how to develop an interagency single window team and how it would fit into existing government structures. The project also drafted and helped review subsequent versions of the Government Decree establishing the Lao NSW.

CONDUCTED LEGAL GAP ANALYSIS IN LAO PDR, PHILIPPINES, AND VIETNAM

The project assessed the countries' legal frameworks for single windows and legal constraints on connecting NSWs, presented findings at workshops, and helped Lao PDR and Thailand draft enabling legislation for their NSWs.

TRAINED TRAINERS IN INDONESIA ON CERTIFICATES OF ORIGIN

After developing software to process and exchange the intra-ASEAN certificate of origin (ATIGA Form D), the project conducted a train-the-trainers program for the Indonesian Ministry of Trade. The software was installed and used in more than 70 government offices that process certificate-of-origin applications and share certificate data with ministry headquarters. Indonesia has since customized the software to expand its capabilities.



Indonesian Ministry of Trade officials receive hands-on training in installing and using the Certificate of Origin software application.



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