Building Consensus for Single Window

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Presentation Outline

- **Single Window: Definition**

- **Building Consensus**
  - **Identify Need**
  - **Secure Mandate**
  - **Identify and Increase Awareness of Stakeholders**
  - **Engage Stakeholders**
  - **Other "Consensus Building" Elements**
  - **Sustaining Consensus**
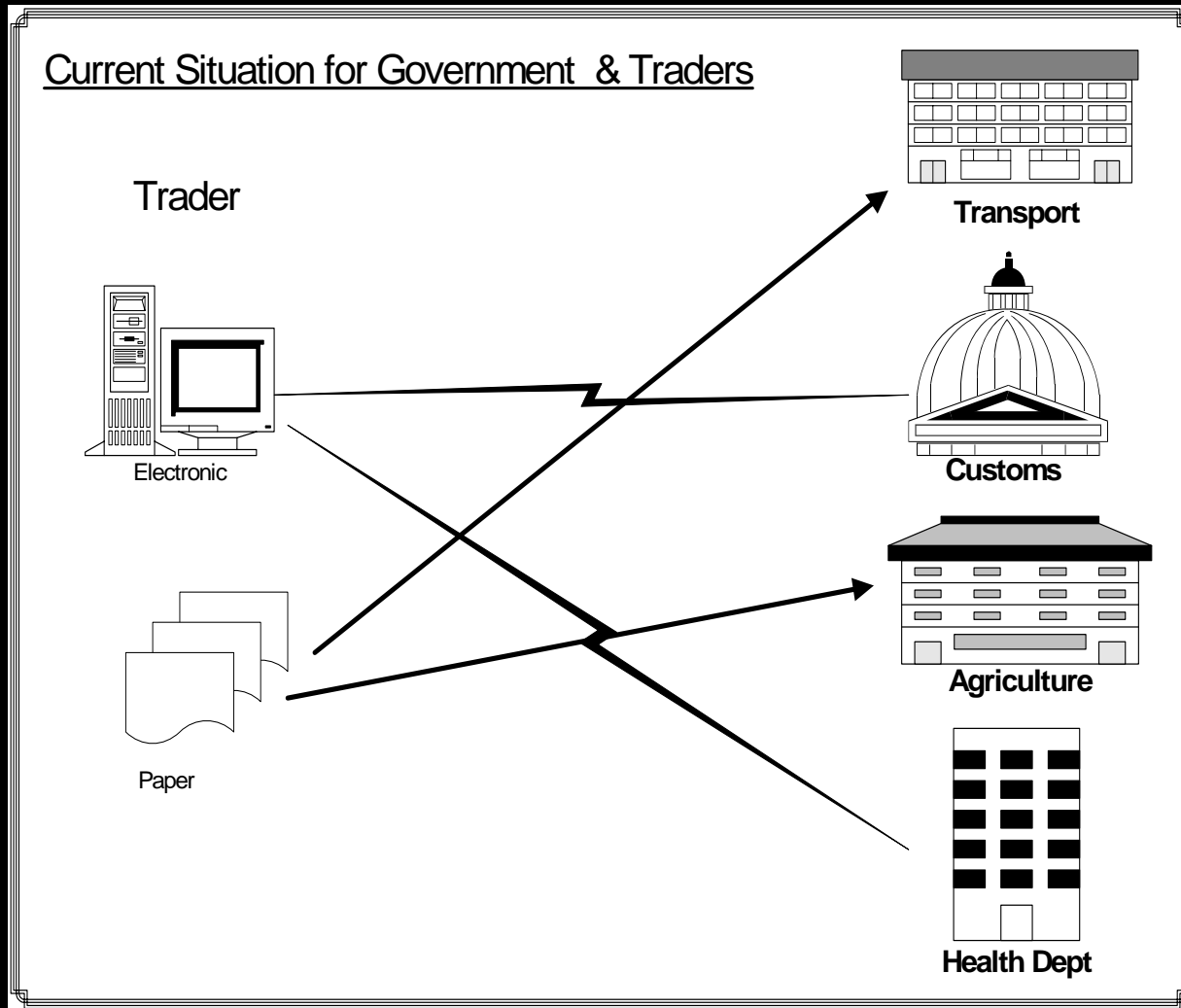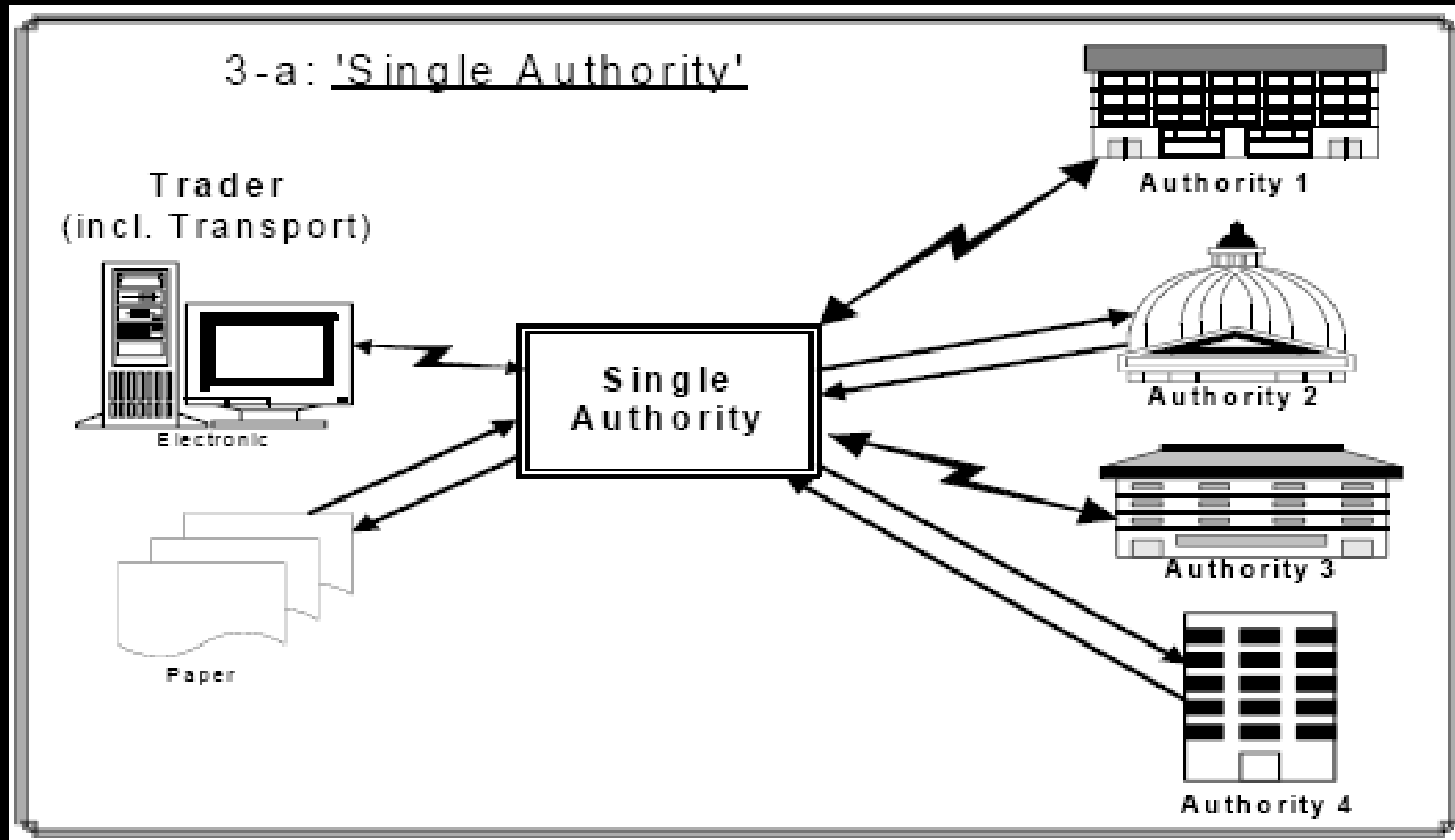
- **Concluding remarks**

Single Window - Definition

"A facility that allows parties involved in trade and transport to lodge standardized information and documents with a single entry point to fulfill all import, export and transit-related regulatory requirements"

► **Single Entry Point**

► **Fulfill all import, export and transit-related regulatory requirements**

The Road to Single Window: from this…

Current Situation for Government & Traders

Trader

Electronic

Paper

Transport

Customs

Agriculture

Health Dept

… to this*

3-a: 'Single Authority'

Trader (incl. Transport)

Electronic

Paper

Single Authority

Authority 1
Authority 2
Authority 3
Authority 4
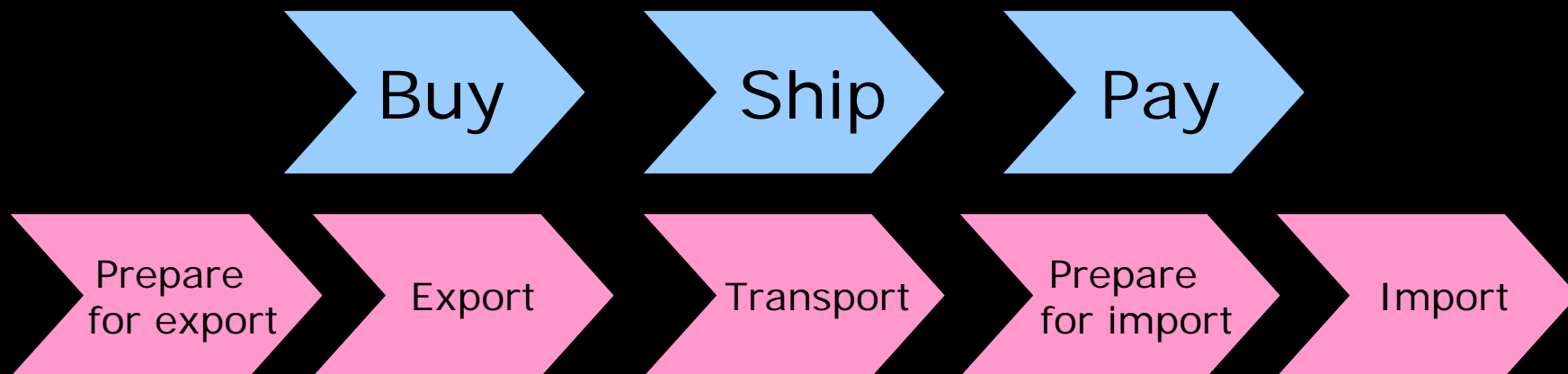
*This is just one model of a Single Window (see Rec. 33 for others)

Ultimately covering all procedures…

International Supply Chain Reference Model

Buy → **Ship** → **Pay**

Prepare for export → Export → Transport → Prepare for import → Import

Commercial Procedures
- Establish sales contract
- Order goods
- Advise on delivery
- Request payment

Transport Procedures
- Establish transport contract
- Collect, transport and deliver goods
- Provide waybills,
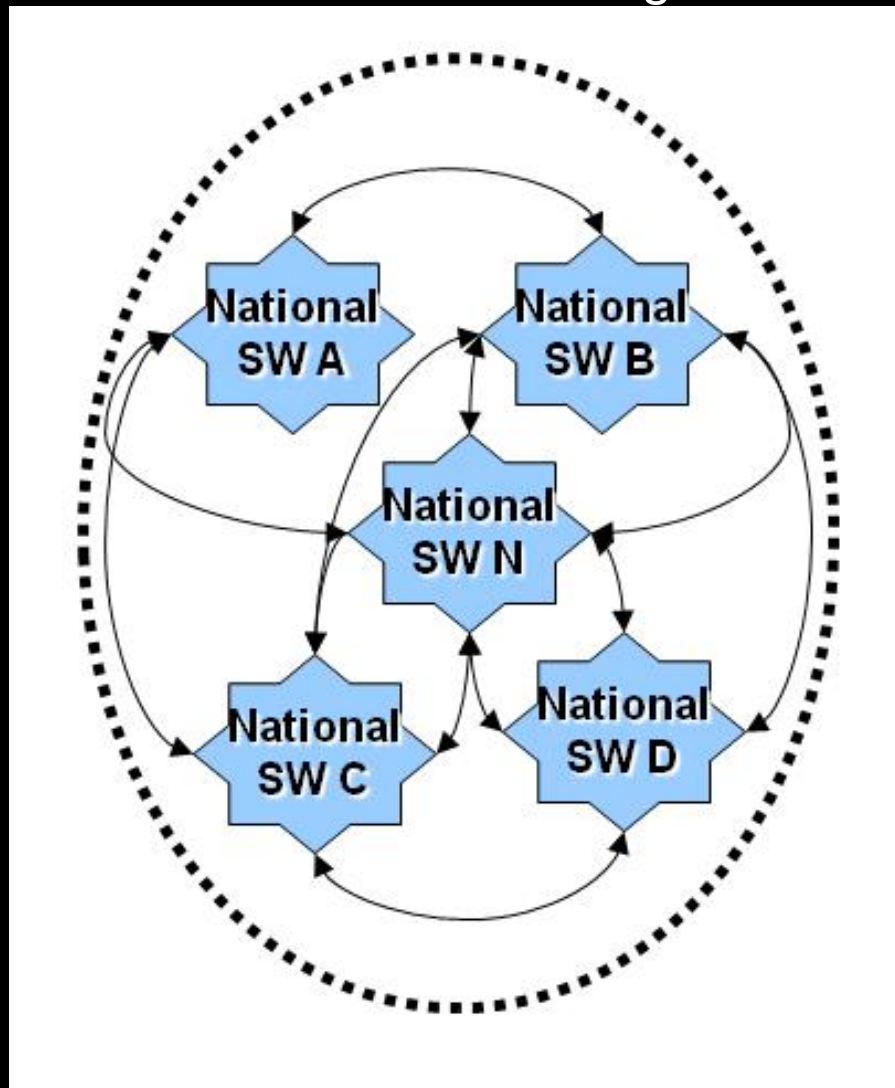- Goods receipts, etc.

Regulatory Procedures
- Obtain im/export licenses etc.
- Provide Customs Declarations
- Provide cargo Declarations
- Apply security measures
- Clear goods

Financial Procedures
- Provide credit rating
- Insurance
- Execute payment
- Issue statements

… and allowing for inter-connectivity

Inter-connected National Single Windows

Building Consensus for NSW

Consensus Building: "Process allowing various stakeholders to work together to develop a mutually acceptable solution"

- Identify Problem
- Secure Mandate
- Identify and Increase Awareness of Stakeholders
- Engage Stakeholders
- Other "Consensus Building" Elements
- Sustaining Consensus

Identify Need

(build a case for NSW)

- How important is trade for the (development of the) country?
  - Singapore: trade key to survival → developed world's first SW

- What is the country's trade facilitation performance?
  - How complicated are trade procedures?
  - Are processes related to preparation, submission and processing of trade-related data/documents efficient?

→ Evidence that a problem exists and a NSW is needed

International benchmark indicators can be used...
...complemented by national or subregional level indicators and studies if possible

[use evidence gathering as opportunity to build consensus]

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Ease of Trading Across Border Rank (2009)

[1=easiest; ranking among 187 countries]

Ease of Trading Across Border (Rank)
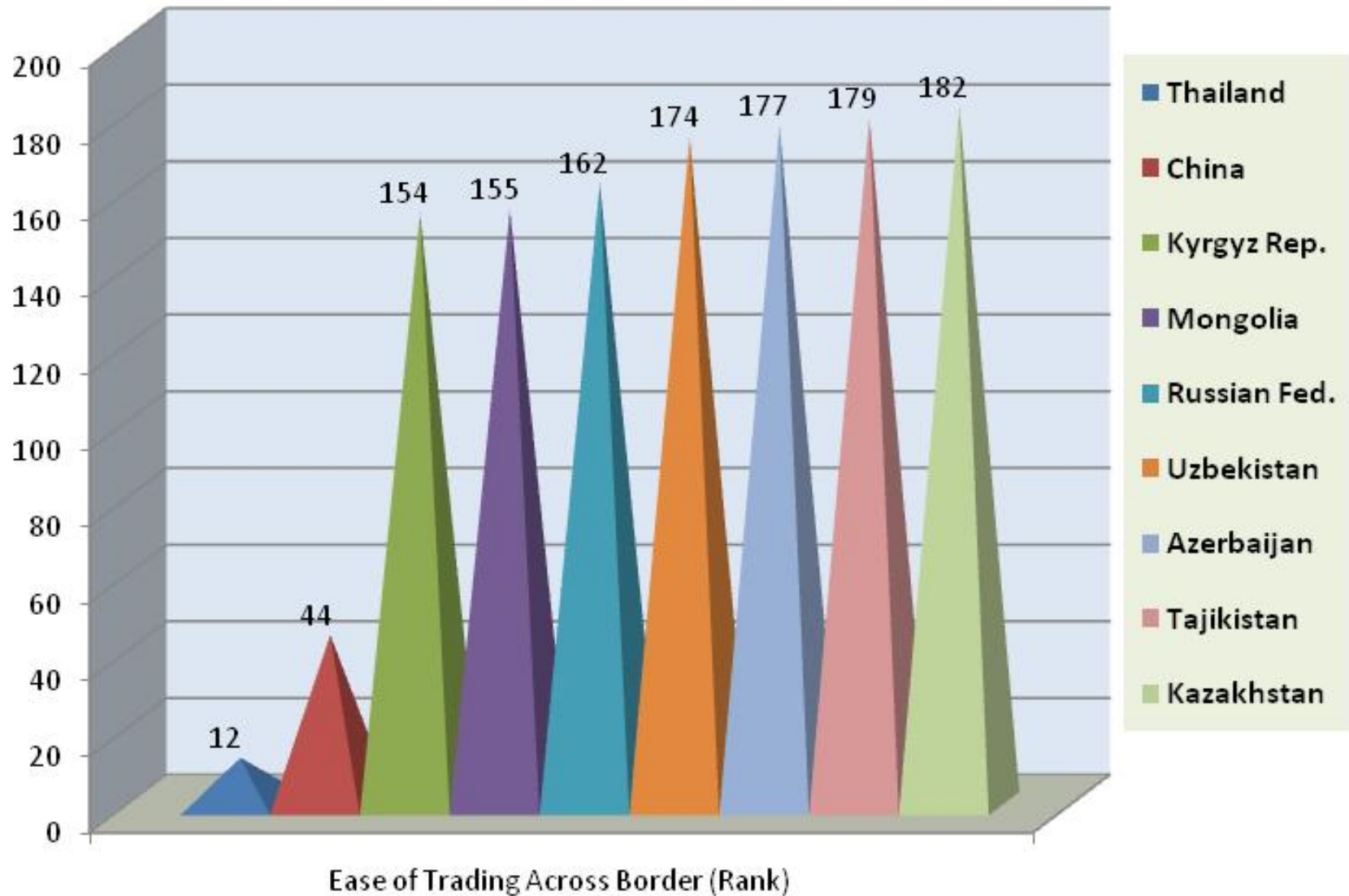
Export Time and Documents (2009)
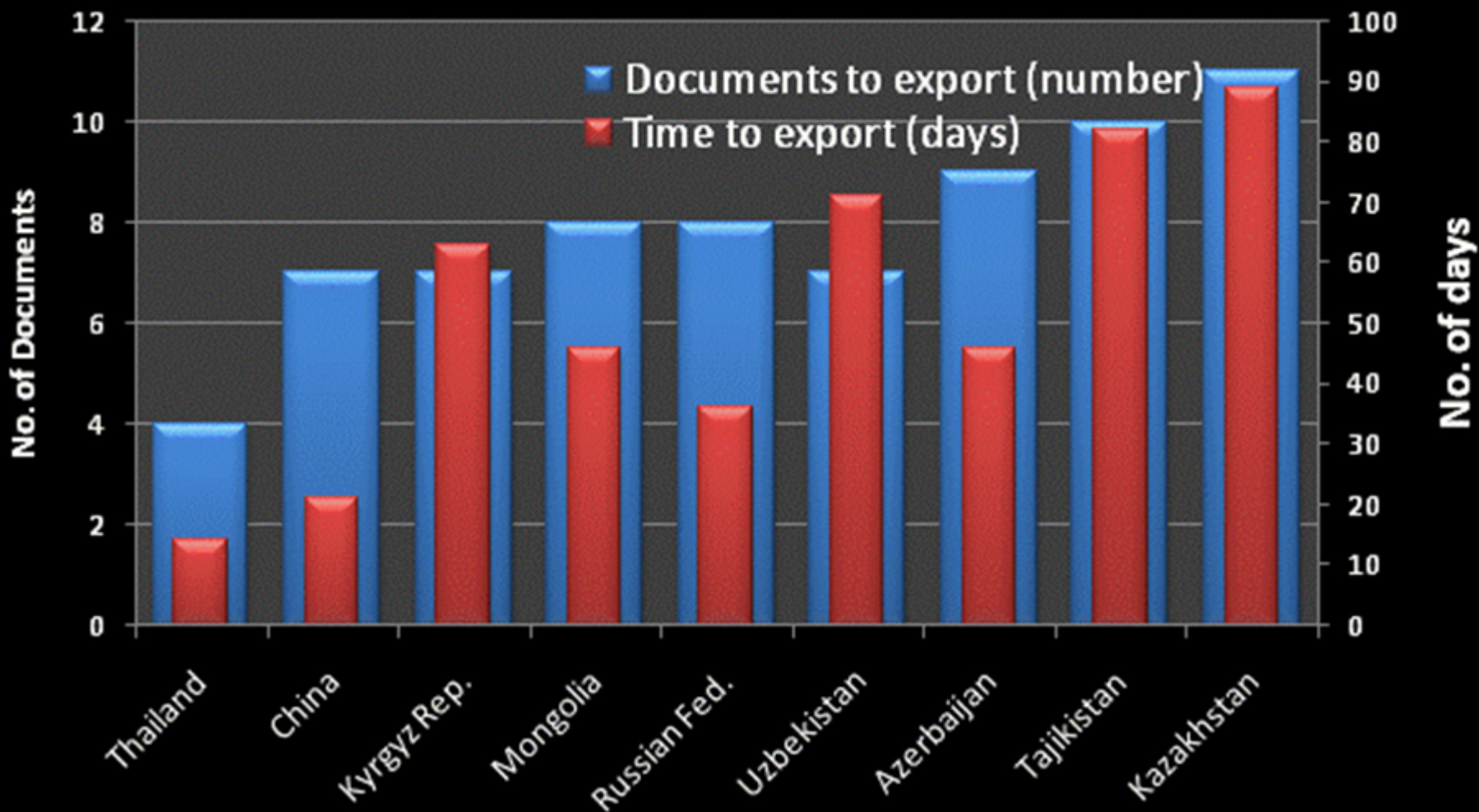
Data source: Doing Business 2010, WB

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Export Time (days): From 2005/6 to 2008/9
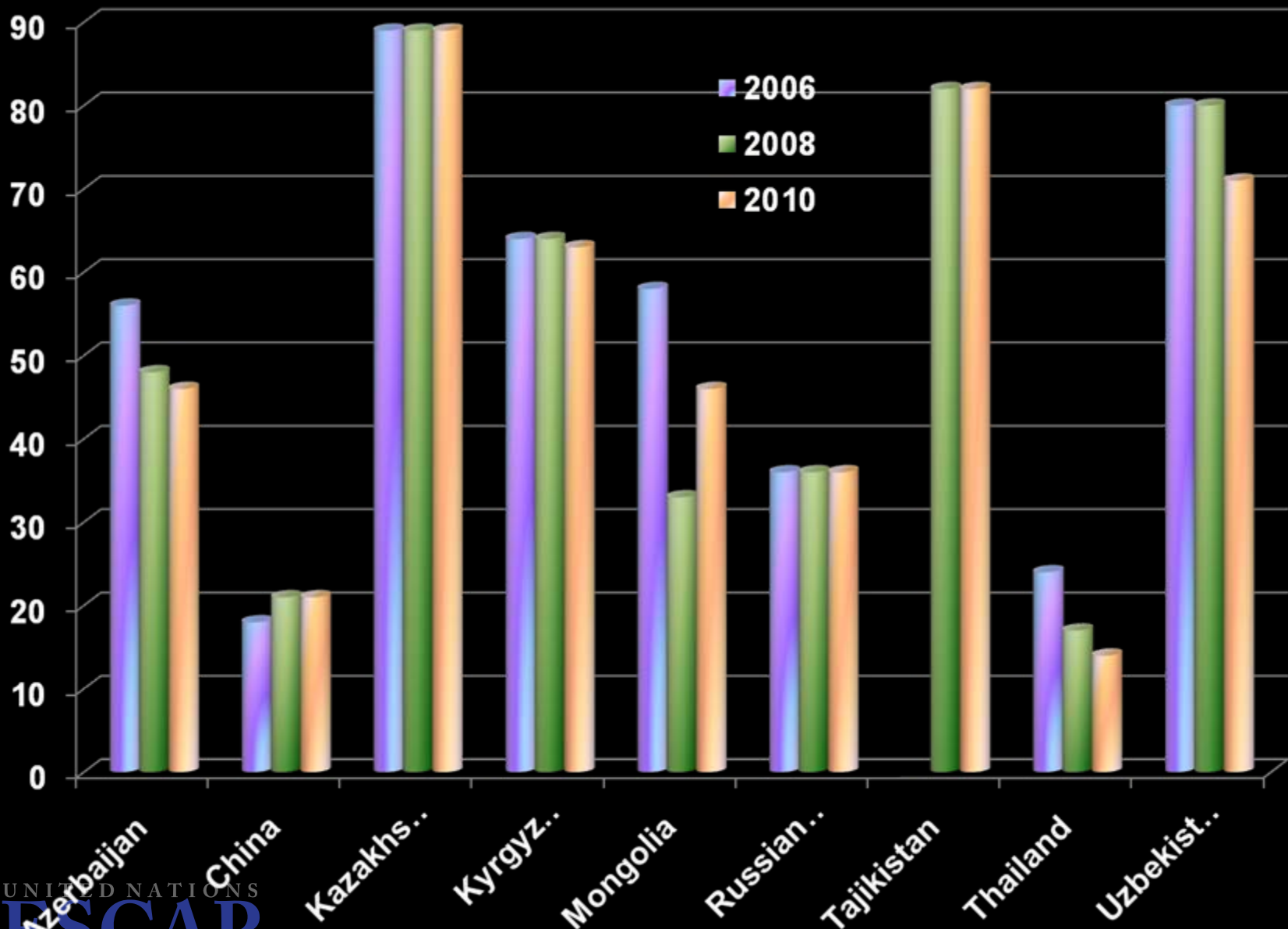
Secure Mandate

(to ensure high-level support)

- Is there a (specific) national mandate for a NSW in relevant strategic policy frameworks?
  - E.g., in trade competitiveness strategy
  - Or/and ICT or e-government strategy, national economic development plan

  → *Linking NSW to strategic policy frameworks will help secure (and sustain) the necessary political will and support*

From Competitiveness to logistics strategy to NSW in Thailand

Cabinet Brain Storming
(20 January 2003)

7 Visions

Thailand Competitiveness Strategy (September 2004)

7 Visions

1. Stable Economic Development Platform
2. Active International Player
3. World Leader in Niche Market
4. Innovative Nation with Wisdom and Learning base
5. Entrepreneurial Society
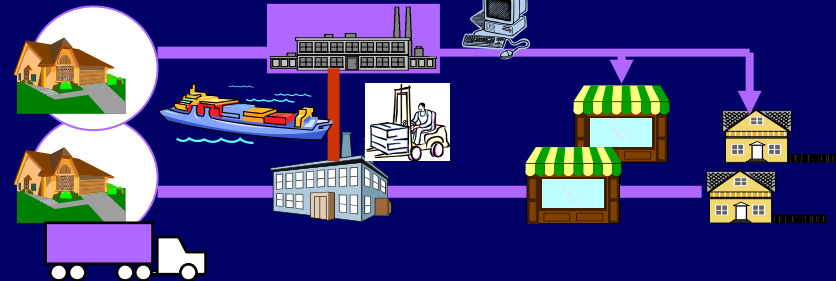6. Society of Cultural Pride with Global Sense
7. Country of Decent Environment for Living

Logistics Development Strategies (May 2005 to February 2007)

Source: Logistics Team, NESDB (2008)

Trade Facilitation is part of Thailand Logistics Development Strategies (2007-2011)…

Vision

World Class Logistics System to support Thai Business and Industries

Objectives

1. Cost Efficiency / Responsiveness / Reliability and Security
2. Business value creation

Strategic Agendas

Manufacturing Logistics improvement	Infrastructure and logistics network optimization	Logistics service international-ization	Trade facilitation enhancement	Capacity building
1	2	3	4	5

2. Manufacturing logistics Action Plan

3. Trade logistics Action Plan

4. Single Window e-Logistics Development Plan (SWeL)

5. Logistics data system Action Plan

1. Urgent logistics Development AP 2007

6. Logistics human resource development Action Plan

Source: Suriyon (NESDB), ESCAP/ECE SW Workshop, Mongolia, 2009

Identify and Increase Awareness of Stakeholders

- Identify stakeholders and their interests
  - Control Agencies; Traders; Logistics Service Providers
  - Identify <u>legitimate</u> representatives of stakeholder groups

- Increase Awareness of NSW needs/benefits
  - Ensure <u>a variety of stakeholders</u> are exposed to international experiences
- E.g., through participation in workshops, study tour, and advisory missions organized by international organizations
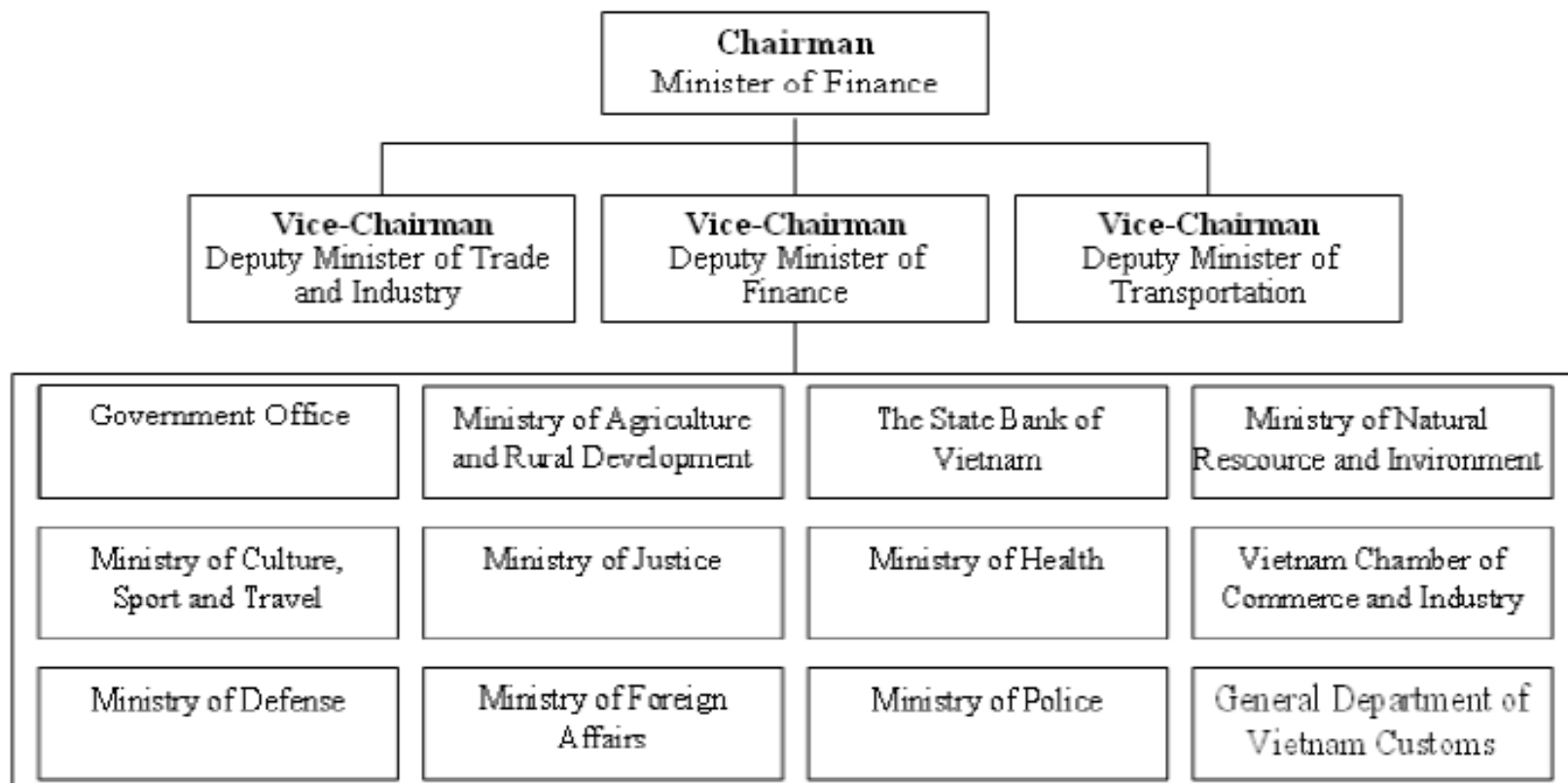- Online communities of experts

Engage Stakeholders

- Early and sustainable engagement
  - Institutionalize inter-agency coordination
  - Institutionalize public-private sector consultation mechanism

→ Jointly develop a NSW design and implementation plan

National SW Committee in Viet Nam

The organization of ASW National Steering Committee

Chairman
Minister of Finance

Vice-Chairman
Deputy Minister of Trade and Industry

Vice-Chairman
Deputy Minister of Finance

Vice-Chairman
Deputy Minister of Transportation

Government Office	Ministry of Agriculture and Rural Development	The State Bank of Vietnam	Ministry of Natural Rescource and Invironment
Ministry of Culture, Sport and Travel	Ministry of Justice	Ministry of Health	Vietnam Chamber of Commerce and Industry
Ministry of Defense	Ministry of Foreign Affairs	Ministry of Police	General Department of Vietnam Customs

Source: Hoang Huy Hoang, "The Implementation of National Single Window and ASEAN Single Window in Vietnam" (2009/SCCP/SWWG/WKSP4/011), paper presented at the APEC SCCP SWWG Capacity Building Workshop, Singapore, 6-8 April 2009.

Institutional Structure for SW in Rep. of Korea

National e-Trade Committee

Chair : Prime Minister

Private e-Trade Committee

Chair : Dr. Jung Uck, Seo

Administrative Committee

Chair : Vice Minister of MOCIE

Korea e-Trade Facilitation Center

- MOCIE MINISTRY OF COMMERCE, INDUSTRY AND ENERGY
- KOREA CUSTOMS SERVICE
- KITA
- KFTC
- The Korea Federation of Banks
- KTNET Korea Trade Network

Platform W/G	Law W/G	Finance W/G	Logistics W/G	Marketing W/G	Global W/G
e-TP PM e-TDR	Law Reform	e-L/C e-Nego	RFID e-L/G e-D/O	e-MP e-Catalog Solutions	e-C/O e-B/L APEC,ASEM Bilateral Networking

Institutional Cooperation Mechanisms needed at Political, Strategic and Operational levels

Mechanisms for Consensus Building and Cooperation on SW in Thailand

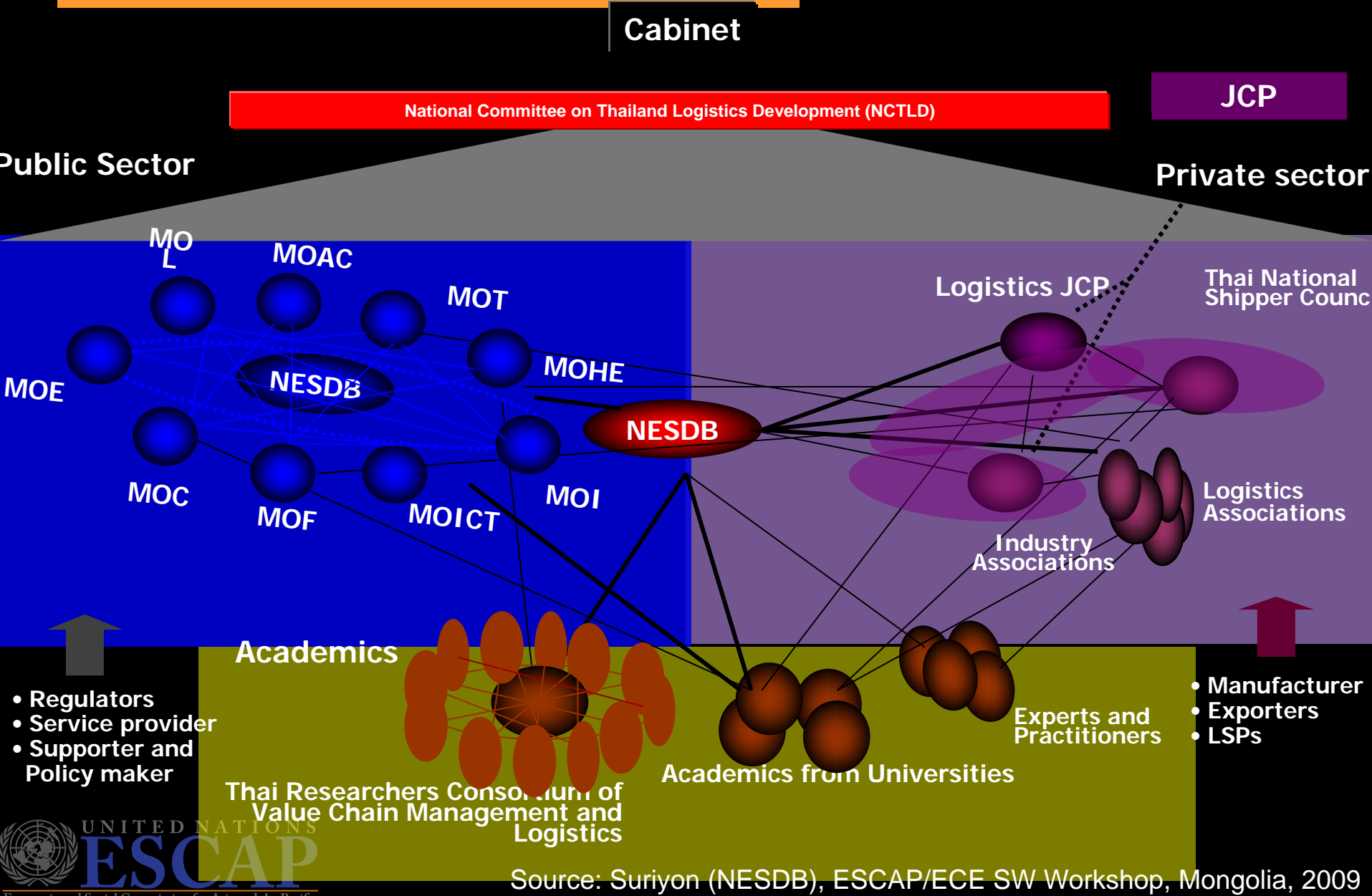| Level	Institutional Mechanisms	Impact
Political	• National Committee on Competitiveness • Cabinet decree • National Committee on Trade L Development and NSW Sub-committee	• Source of legitimacy and budget • Source of authority for NESDB, MICT, Customs Dpt. • NSW Master Plan, comprising multi-ministry projects
Strategic	• Sub-committee on NSW • Flagship status under Logistics and Trade Facilitation issues • Designating Lead Agencies (MICT, NESDB, Customs Dpt.)	• Regular meetings drive progress • Informal meeting and dialogue create mutual trust and understanding • Lead consultant helped draw out over all architecture and model
Operational	• MICT Task Force allocating budget to 12 Dpt. • Customs' two Sub working groups on streamlining BP + aligning data required and technical communication protocol	• MICT enforced cooperation via budgeting and procurement process • Customs procedure reform implemented by Customs Dpt. forced some OGAs to come along

Source: Suriyon (NESDB), ESCAP/ECE SW Workshop, Mongolia, 2009

Engage Stakeholders

- Early and sustainable engagement
  - Institutionalize…
- Lead Agency for SW as a Facilitator
  - Appointed by prime minister (or close links w/ PM office)
  - Enough resources
    - Technical/human; Financial
  - Prior experience in inter-agency cooperation and PPP
    - Important for staff or lead consultants to have excellent diplomatic/interpersonal/facilitation skills
  - ((Primary role in trade procedures/transactions))
  - ((Possible to designate several leaders: 1 for monitoring/coordination, 1 for operation, 1 for technical development))

Lead Agency in Thailand created "a network of partnerships"

Cabinet

National Committee on Thailand Logistics Development (NCTLD)

JCP

Public Sector

Private sector

MOL

MOAC

MOT

MOE

NESDB

MOHE

NESDB

MOC

MOF

MOICT

MOI

Logistics JCP

Thai National Shipper Council

Logistics Associations

Industry Associations

Academics

- Regulators
- Service provider
- Supporter and Policy maker

Thai Researchers Consortium of Value Chain Management and Logistics

Academics from Universities

Experts and Practitioners

- Manufacturer
- Exporters
- LSPs

Source: Suriyon (NESDB), ESCAP/ECE SW Workshop, Mongolia, 2009

Other "Consensus Building" Elements

- International standards & recommendations
  - Provide a "neutral"/"unbiased" basis
  - UN/CEFACT Recommendations (33-35)
  - UNTDED, WCO Data Model 3.0

- External mandate for SW
  - Provide additional incentive for stakeholders to compromise and reach consensus
  - E.g., mandate resulting from bilateral/regional/multilateral trade negotiations
    - ASEAN Single Window Initiative
    - WTO Negotiations on TF (include SW)

- Incremental approach
  - "coalition of the willing" can demonstrate SW value

Other "Consensus Building" Elements

- Launch "trust creating" activities
  - involving many stakeholders
  - aimed at better understanding existing situation
  - preparing ground for SW

Cross Border Data Exchange

Cross Border Reference Data Model

Single Window — Rec 33,34,35

National Data Harmonization — UNTDED, Core Component Library, UN LOCODE and code lists, UNeDocs, Rec 34

Document Simplification and Standardization — UN Layout Key, UNTDED, TF Toolkit and Forms Repository

Process Analysis and Simplification — Business/Political Process Collaboration Between Trader and Government (UN/CEFACT Rec 4, Rec 18), UN/CEFACT International Supply Chain Reference model, Unified Modeling Methodology, Global Facilitation Partnership for Trade and Transport Audit Methodology

Sustaining Consensus for SW Development

- Continuous political commitment
- Budget
- Monitoring
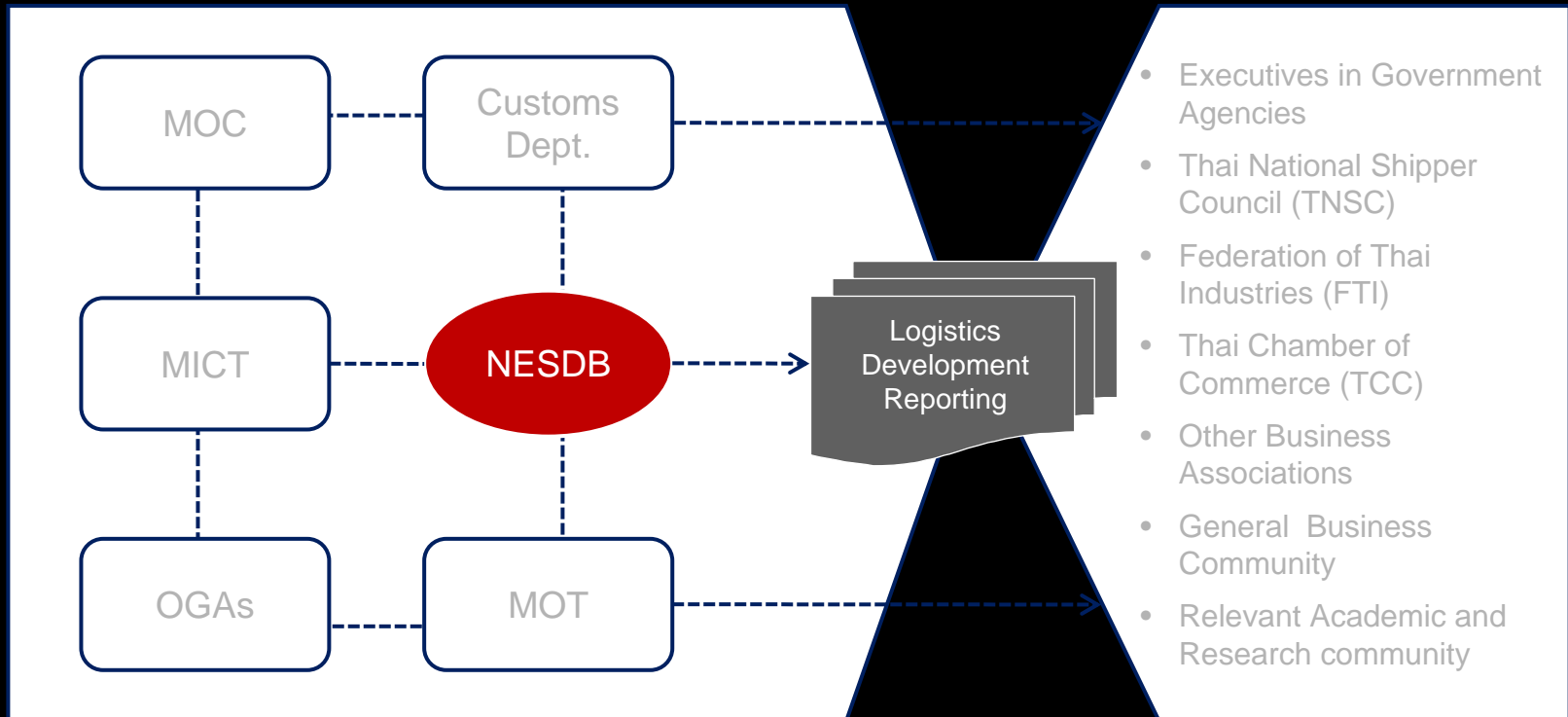
"Monitoring process helped create a sense of being held accountable for one owns performance…" Suryon, NESDB, Thailand

Key Players and Drivers in sustaining inter-agency cooperation in Thailand

Awareness raising Events

NESDB's regular monitoring / reporting

Perceived needs for inter-agencies partnership

Policy Manager

A number of platforms for interaction

Personnel

Experts/ consultants

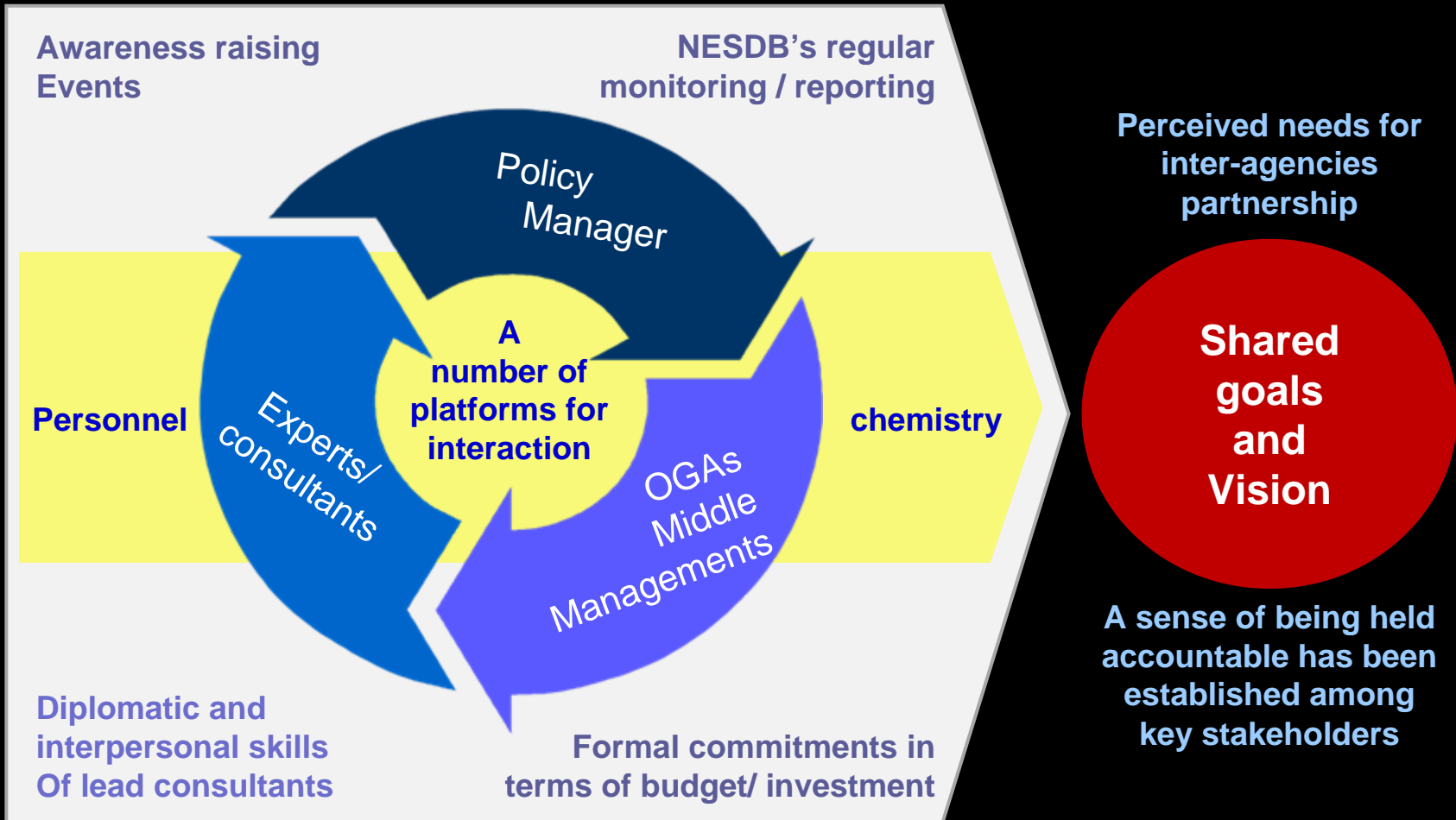chemistry

OGAs Middle Managements

Shared goals and Vision

Diplomatic and interpersonal skills Of lead consultants

Formal commitments in terms of budget/ investment

A sense of being held accountable has been established among key stakeholders

Source: Suriyon (2009); adapted from Phuaphanthong, Thayanan, et al. Establishing Interagency Collaboration in Large-Scale Systems Development : Lessons Learned from an E-government Project for Trade and Transport Facilitation. The 15th Americas Conference on Information Systems, San Francisco, California, August 6th-9th, 2009

Thank You

(duvaly@un.org)

United Nations Network of Experts on Paperless Trade in Asia and the Pacific (UNNExT)

www.unescap.org/unnext/

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ANNEX

Logistics Performance in CAREC Countries
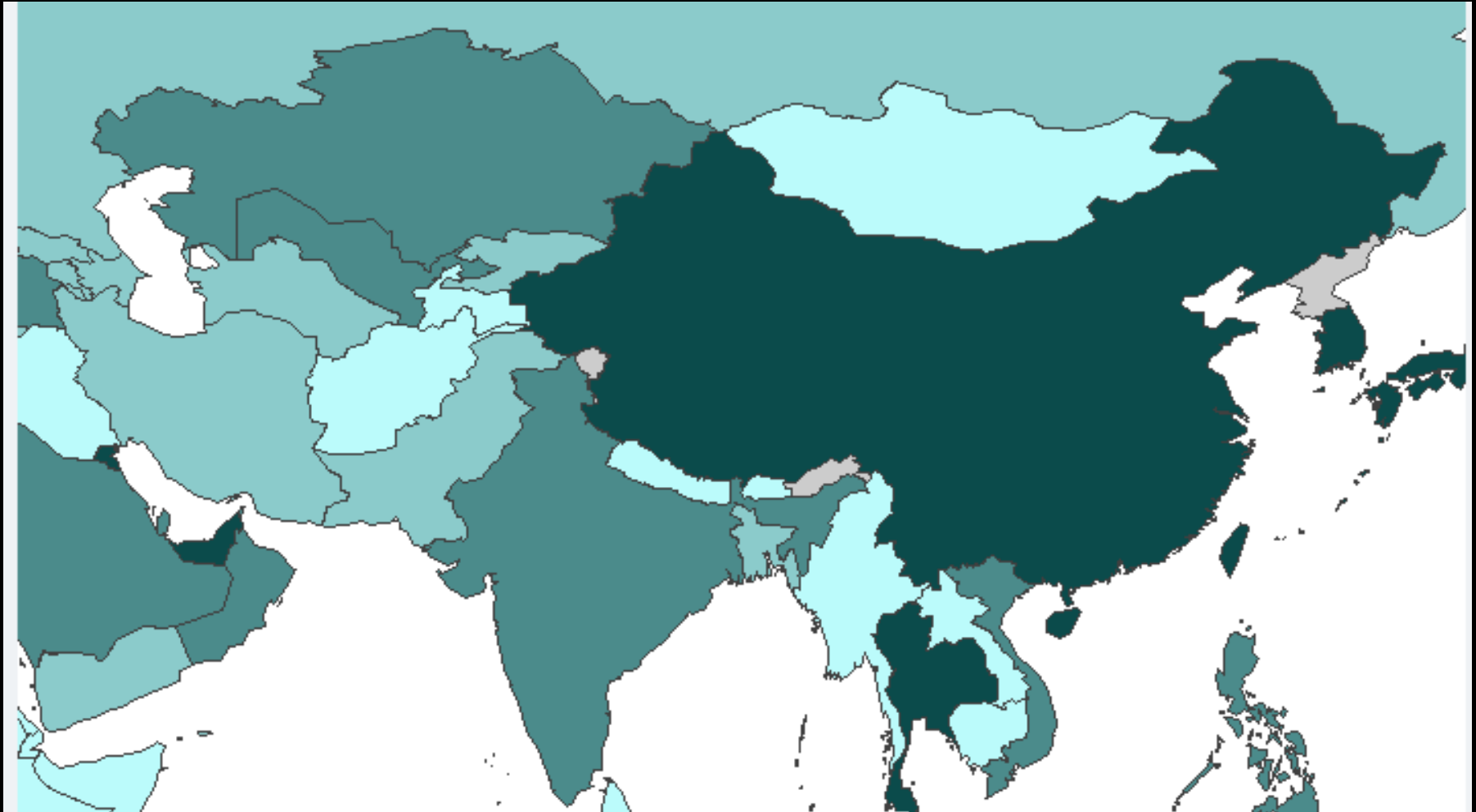
Lighter color indicates lower performance
Source: LPI Index, World Bank

Pre-requisites for Effective Stakeholder Coordination for SW*

*Lim, 2010 (unpublished draft)

Thailand SW e-Logistics Vision (making the case)

~350 data items and no travel needed

Exporter And Importer

National Single Window

Data Harmonization

Carriers & LSP

Government Agencies

Single entry process

~ **24 days** *(World Bank 2006)

To reduce time used on document procedures

15 days
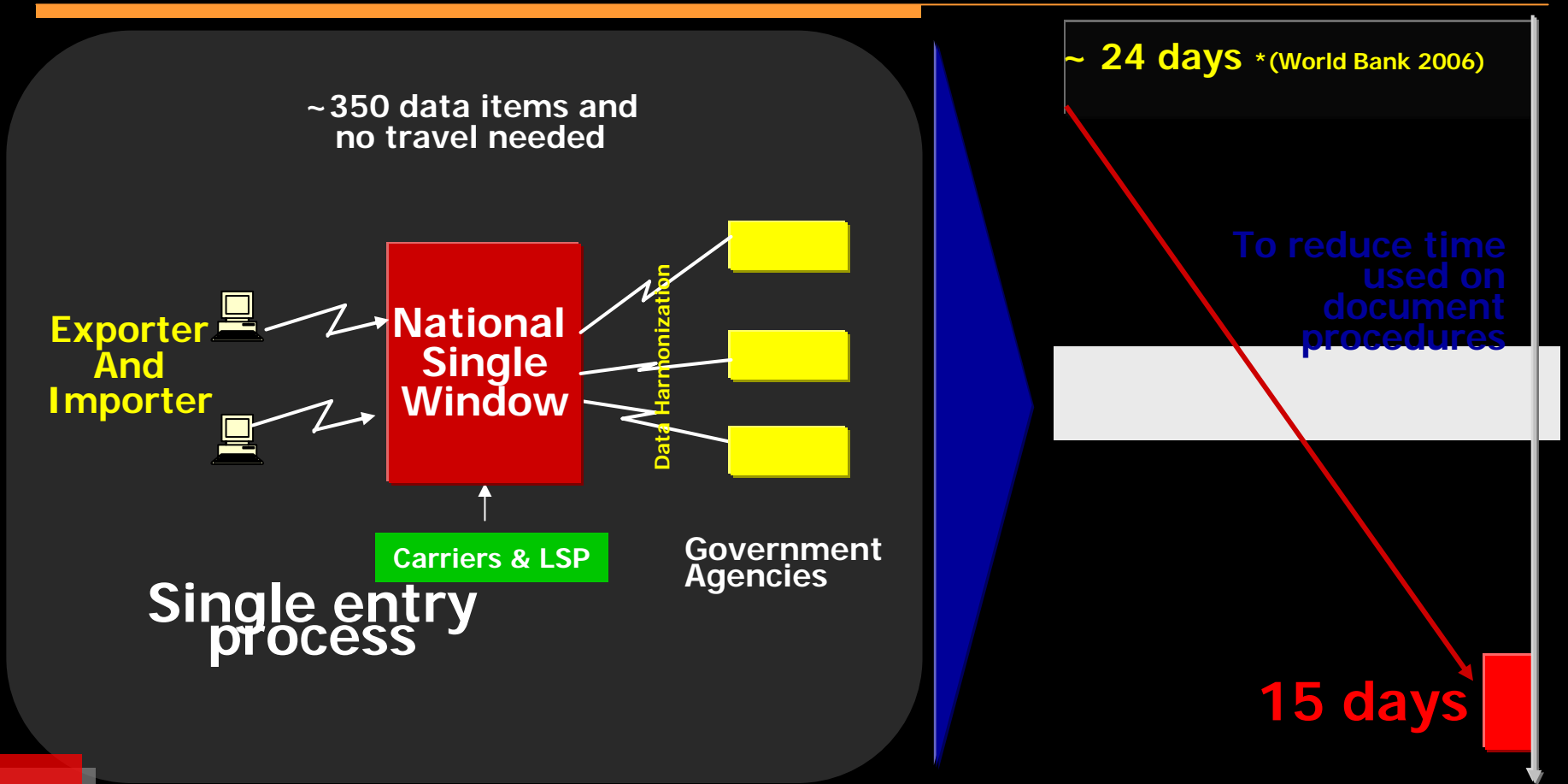
Impact to economy

- One day delay costs 1% reduction in export value (World Bank, 2006)
- Direct and indirect costs incurred in documentary process account for 1-15 % of finished goods (OECD, 2003)

Stakeholders identified in Thailand Single Window e-Logistics Framework
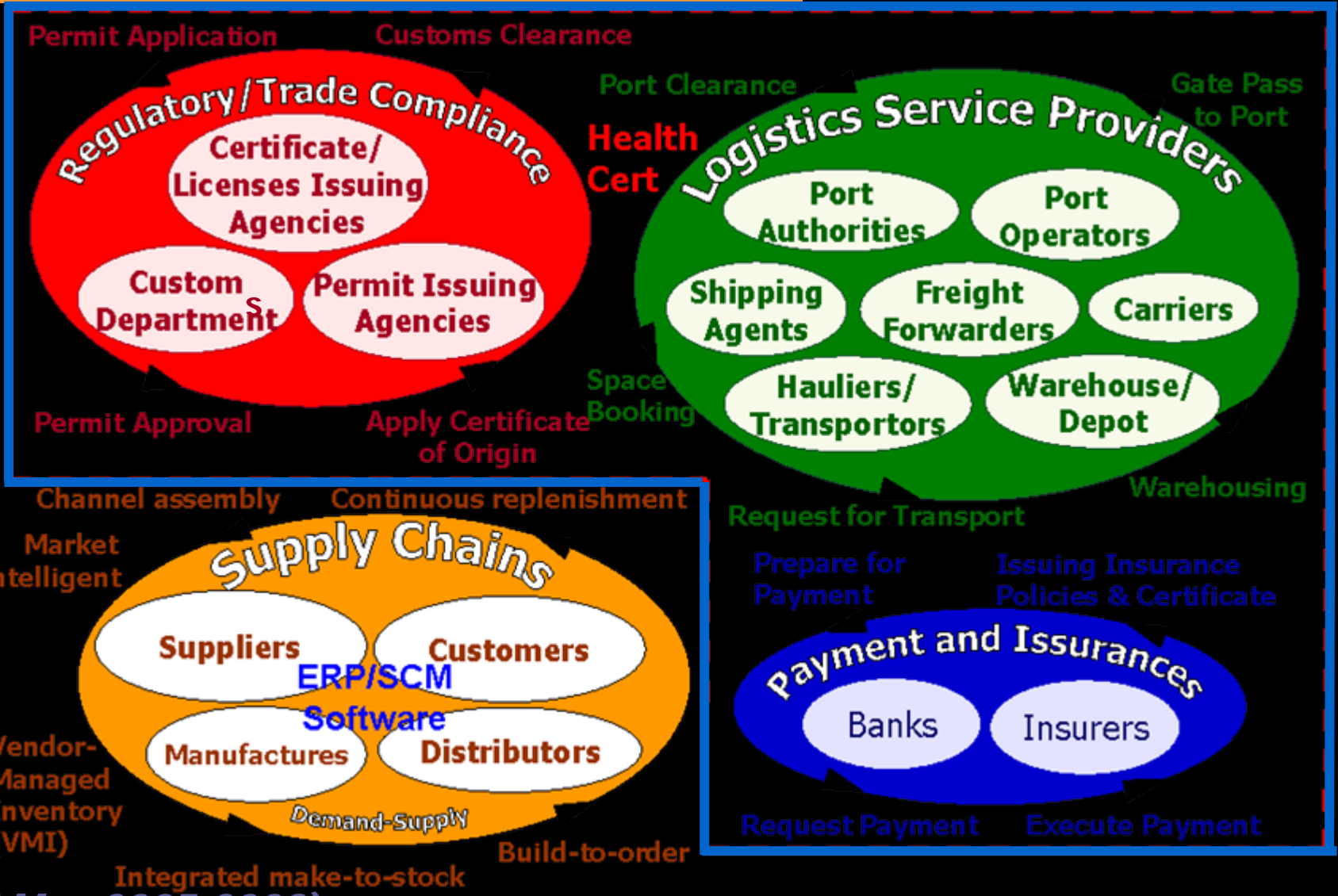
Thailand's Incremental-Build Approach*

- **1st Stage: Customs Clearance + e-Certificates**
- **2nd Stage: Transportation & Financial Settlement**
- **3rd Stage: Cross-border Paperless Trading**

Port Authority

Bank

Customs

Airline

Internet

GDX

Ministry of Agriculture

Trading Company Web-based Application Form

Ministry of Commerce

Shipline

Insurance

Sea Port

Alignment with
•GMS Cross-   Border Agreement, and
•ASEAN Single Window Initiative.
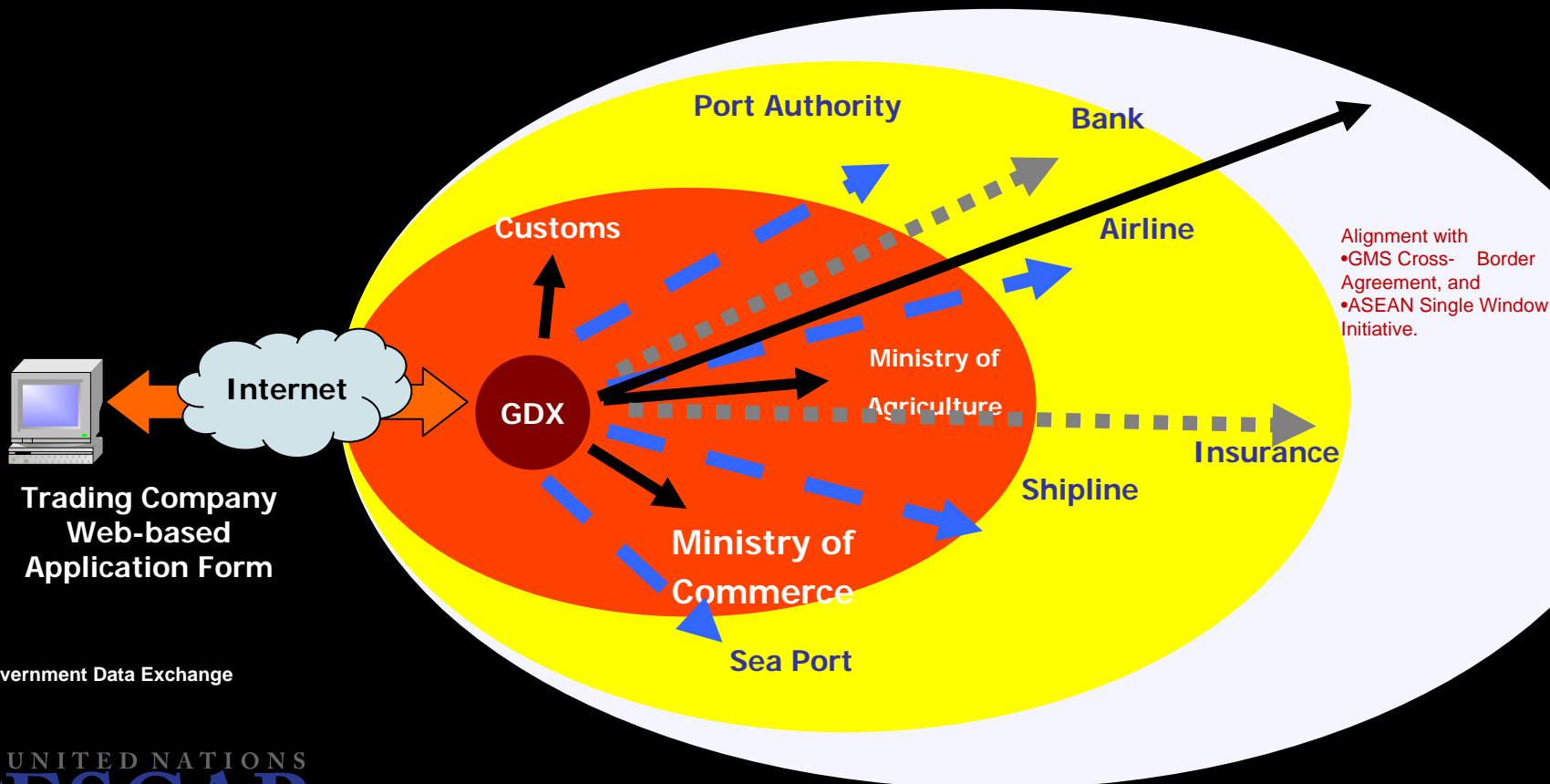
GDX: Government Data Exchange

*1 March 2004

Source: Suriyon (NESDB), ESCAP/ECE SW Workshop, Mongolia, 2009

Thailand Single Window e-Logistics

Carriers & LSP

Data Cross-Checking

e-Port

PAT

Paperless customs
e-Declaration
e-Manifest
e-Container
e-Payment

Water way Transport

Air

Air Transport

Land Transport

3 Transport Single Window e-Logistics MOT

ebXML

ebXML

ebXML

ebXML

Data Harmonization
Process Simplification

Web based Single Window Entry and approval

Process Simplification **Data Harmonization**

ebXML — **1** **Customs**

ebXML — Certificate of origin (e) and Permit (e)
Foreign Trade Dpt

ebXML — Certificate of origin (e)
T Chamber of Commerce

ebXML — Permits and Certificates (e)
Livestock

ebXML — Permits and Certificates (e)
Fishery

Exporter and Importer
Submit document only once via internet or web service (ebXML)

- Online Tracking

NSW Gateway
Liknage
ebXML

4

Web base Single Window Entry

Single Window e-Certificate

One Stop Service Center (MOC)

2

2 ebXML — Verifying Company's Legal status via web service
Business Development Dpt

4

MOICT conducting a study on National Single Window Gateway Business Model

SW Development Challenges in Thailand, and Solutions

Key Challenges

What we did…and intend to do…

Planning and approval

Delivery

- It's highly technical
- Policy makers get lost easily
- So many agencies involved
- Total Budget was not guaranteed
- Messengers' ignorance
- Policy intervention delayed projects

- Key personnel get a clear picture fast
- Establish Strong Core team
- Communication has always been every thing
- Partnership with private sector helped
- Good presentation helped (vision, result, process)

Implementations

- Lack of knowledge as to what and how
- Long term commitment is highly demanded
- Fragmentation demands virtual integration
- Lack of momentum due to competitive commitments

- Capacity building for middle level officials needed, If possible budget for capacity building should be embedded in each project
- Partnership forums helped keep the implementation teams accountable
- Very persistent Core team keep on monitoring