TRADE FACILITATION
SINGLE WINDOW AND BEYOND.....

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Topics

• Challenges and benefits of facilitating trade
• WTO Trade Facilitation Agreement
• Sequencing
• Facilitating activities and integration through SPS Automation
• NSW
Trade facilitation efficiency leads real economic results

A 10% reduction export time

<table>
<thead>
<tr>
<th>Increases Export of ...</th>
<th>by ...</th>
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<tbody>
<tr>
<td>Sub Saharan Africa</td>
<td>6.1%</td>
</tr>
<tr>
<td>South Asia</td>
<td>5.8%</td>
</tr>
<tr>
<td>East Europe &amp; Central Asia</td>
<td>5.0%</td>
</tr>
<tr>
<td>Middle East &amp; N. Africa</td>
<td>4.1%</td>
</tr>
<tr>
<td>East Asia and Pacific Islands</td>
<td>4.1%</td>
</tr>
<tr>
<td>Latin America and Caribbean</td>
<td>3.5%</td>
</tr>
<tr>
<td>OECD</td>
<td>1.7%</td>
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Reducing time and cost is critical for SMEs.....

Average logistics cost as a % of sales

Trade transactions vary widely from country to country. In 2017 we still see huge variances due to constraints in clearance related to regulatory issues including SPS.

**Export**
- Document Compliance: 1 hour – 92 days
- Border Compliance: 1 hour – 21.5 days

**Import**
- Document Compliance: 1 hour – 52.5 days
- Border Compliance: 1 hour – 24.5 days

1 hour – 1 day 1 hour – 2.5 days 1 hour – 1.8 days 1 hour – 2.6 days

High Income OECD Countries

Source: World Bank ‘Doing Business’ Project, 2018
WHERE TO START......
WTO TFA is an ideal framework

**Transparency Articles**
- Article 1: Publication & Availability of Information
- Article 2: Comment and Consultations
- Article 3: Advance Rulings
- Article 4: Procedures for Appeal or Review
- Article 5: Measures to Enhance Impartiality, Non-Discrimination & Transparency

**Fees, Charges & Formalities Articles**
- Article 6: Disciplines on Fees and Charges
- Article 7: Release and Clearanc of Goods
- Article 8: Border Agency Cooperation

**Institutional Arrangement Article**
- Article 9: Movement under Customs Control
- Article 10: Import, Export & Transit Formalities
- Article 11: Freedom of transit
- Article 12: Customs Cooperation
- Article 23: Institutional arrangements

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Importance of TFA Implementation Sequencing

23. 2. National Committee on Trade Facilitation

10.1 Formalities and Documentation Requirements

1.1 Publication (Publication and availability of information)
1.2 Information Available Through Internet (Publication and availability of information)
1.3 Enquiry Points (Publication and availability of information)
2.1 Opportunity to Comment and Information before Entry into Force
2.2 Consultations
10.1 Formalities and Documentation Requirements

(Article 8) Border agency coordination

Automation (10.4 Single Window)
Sequencing Trade Facilitation Project Activities

- Simplifying & Standardizing Procedures
- Collaborating at the Border
- Border Risk Management
- Authorised Operator
- Automating trade transactions
National Trade Facilitation Committee (NTFC)

Objectives & Approach
- Public & private sector together
- Set scope and objectives to meet national trade priorities
- Set the national trade facilitation implementation strategy
- Oversee development of action plans
- Supervising implementation progress

Key leadership mechanism to implement the TFA

E-Phyto – E-Certs, E-Vet Certs
- E-Phyto & other SPS initiatives (e.g. Sea Container Task Force & E-certs) must be in the NTFC implementation plan
- NTFC will assist with coordination and cooperation across relevant government and private sector organisations
Simplifying & standardizing & Eliminating procedures, Processes & Documents

- Periodically review formalities and documents with a view to simplifying
- Document requirements and formalities should be as fast and efficient as possible

Case Study

- Philippines DA Trade System

E-Phyto – E-Certs, E-Vet Certs

- E-Phyto/certs need to utilize a standardized data set – WCO Data Model
- Review procedures between SPS Agencies processes and other agencies/organisations to standardize
Collaborating at the border

- Border agencies to co-operate with one another and coordinate their activities in order to facilitate trade
- Countries with common land borders shall cooperate and coordinate procedures (extent possible and practicable)

E-Phyto – E-Certs, E-Vet Certs
- Promote developing a national data model for trade transactions – E-Phyto, Cites, Customs etc.
- Protocols and the legal mandate to share information
Risk Management

- Focus is primarily on the application of risk criteria at the border
- Promotes resources being focussed on areas of high risk

Case Study
- Philippines DA TERMS Program
  - Targeted Inspection
- Balkan States – Risk & Compliance Strategy & Policy
- Sea Container Task Force

**Categories of Attitude to Compliance**

- Voluntarily comply
- Attempting to comply
- Resistance to compliance
- Criminal intent

Create pressure to voluntarily comply

Ayres & Braithwaite (1992)
Authorised Operator

- Focus is primarily on the application of risk criteria at the border
- Promotes resources being focussed on areas of high risk

Case Study
- Pilot under discussion
- SCTF to evaluate application in the sea container pathway
CONCEPT OF SINGLE WINDOW

Trader

Government Agency (e.g. Agriculture, Health, etc.)

Trader

Folder

Registration
Business License
VAT Certificate
Authorisations

Application
Invoice
Bill of Lading
Packing list
Permits
Licenses
Declaration
Assessments
Inspection reports
Receipt
Release Note

Bank

NSW

LOGISTICS NETWORKS

CUSTOMS

AGENCY (Border)

CMS Customs (Border)

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Trade & Competitiveness
The Regulatory Single Window

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. For information submitted electronically, individual data elements should only be submitted once.

UN CEFACT, Recommendation No. 33, July 2005
STRATEGY FOR BUILDING A NATIONAL SINGLE WINDOW ENVIRONMENT

Strategy Components

- Vision Statement
- Functional Model
- Operational Model
- Governance Model
- Financial Model
- Capacity Building Plan
- Legal Framework
- Constraints

Leading to...

Blueprint for Implementation to take to market
The Vision for the National Single Window

The NSW will encompass the processing of trade transactions from the start of regulatory requirements up to the clearance of goods into/out of the country and will:

- Streamline and automate relevant front-office processes at key government agencies
- Include a facility for electronic payment
- Provide access to information sources relating to trade regulations and procedures
- Provide increased information sources for the Government to improve its administration of international trade.
IMPLEMENTING A SINGLE WINDOW: THE IMPORTANCE OF THE ESW STAKEHOLDER COMMITTEE

The clear definition and attribution of responsibilities in an electronic Single Window Project is crucial for subsequent implementation phases. The committee will help create accountability and monitor the implementation of the project. At the minimum, it’s important to establish:

- Context and necessity of ESW implementation
- Objectives of ESW project
- Targets of ESW project
- Composition & Structure
- Lead Agency & Membership
- Responsibilities of the ESW Steering Committee
- Role of Secretariat
- Reporting lines
- Funding
### IMPLEMENTING A SINGLE WINDOW: BEST PRACTICE PREPARATION (1)

<table>
<thead>
<tr>
<th>Component</th>
<th>Description</th>
<th>Time Frame</th>
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<tbody>
<tr>
<td><strong>Legal Action Plan</strong></td>
<td>Based on initial legal review &amp; required specific features of new functional requirements, plan for implementing any required legal changes</td>
<td>6 months</td>
</tr>
<tr>
<td><strong>Business Process Model</strong></td>
<td>• Business Process Analysis of current operation for all government agencies involved in trade (“as is” model)</td>
<td>6-9 months</td>
</tr>
<tr>
<td></td>
<td>• Re-engineered Business Process Model (“to be” model) including new harmonized data model across all stakeholders</td>
<td></td>
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</table>
| **Functional and Technical Architecture** | • Functional Specifications of ESW system  
• Technical Platform for operation of ESW system (e.g. topology, hardware, communications, software platform, performance requirements, non-functional specifications) | 6-9 months   |
| **Operational and Governance Model** | • Operational Model, i.e. functions to be performed by different parties of (e.g. system operation, facilities’ management, Help Desk, maintenance and support, etc.)  
• SLA’s governing the relationships between parties  
• Ownership, Oversight, Management and Reporting structure | 6-9 months   |
| **Capacity Building Plan**       | • HR Requirements  
• Training Needs Analysis  
• Training Plan                                                                                                                                         | 3 months     |

*Time frame depends on country context and can take longer...*
## IMPLEMENTING A SINGLE WINDOW: BEST PRACTICE PREPARATION (2)

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<th>Description</th>
<th>Time Frame</th>
</tr>
</thead>
</table>
| **Fee Model**      | • Estimate of operational costs based on Functional and Technical Architecture, Operational Model and analysis of transaction volumes  
                    • Recommended fee structure for operational cost recovery  
                    • Recommended model for sharing revenue collected through the ESW and due to different agencies                                                | 3 months    |
| **Risk Management Model** | Recommendations for leveraging shared data structures and facilities for the purpose of applying risk management principles across all government agencies with a view to incremental degrees of trade facilitation | 6-12 months |
| **Change Management** | • Change Plan  
                   • Communication strategy (i.e. how to communicate change to all stakeholders)                                                                                                                          | 6 months    |
| **Procurement Plan** | • Procurement Specifications for products and services to be procured (e.g. software, hardware, infrastructure, outsourced services if any, etc.)  
                        • Draft RFP’s                                                                                                                                                                           | 6 months    |
SW Implementation Lessons Learned

Managing complexity:
• SW implementation is a long-term endeavor and complex
• Any automation solution cannot be stand-alone, needs to be appropriate and customized for the existing context;
• Must include all stakeholders

Creating an enabling institutional framework:
• A change champion often important to initiate the process but change champions needed to sustain the long term effort involved
• Leadership important but need to make sure all stakeholders share the same vision and accountability for success
• Clear and unambiguous mandate for the lead agency is essential

Planning is key:
• An automation trade processing system is an enabler and preparation beforehand is crucial
• Challenges and risks need to be identified and pragmatically assessed - Ambitions and timelines need to be realistic (e.g. telecoms infrastructure, business culture etc)
• Sequencing is critical
SPS Pathway to Single Window – A few Summary thoughts…..

- Sequencing
- Process Efficiency
- Baseline estimations
- Measuring Impact
- Stakeholder Coordination
- Visioning & Integration into NSW
Thanks

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