

UN/CEFACT Mini Conference on Single Window Evolution

Palais des Nations, Geneva, 31 March 2017

A UN/CEFACT Mini Conference held to discuss Single Window Evolution was split into two sessions – the first focusing on the way in which Single Window has been implemented and how the concept has evolved in different parts of the world, and the second focusing on technical innovation, again with speakers from different regions.

Both sessions were chaired by **Richard Morton**, a UN/CEFACT Expert who is also Secretary General of the International Port Community Systems Association (IPCSEA). He welcomed delegates and highlighted the critical role that Single Window must play in trade facilitation.

Opening Address: Maria Ceccarelli, Chief of the Centre for Trade Facilitation and Electronic Business (UN/CEFACT), UNECE

Since UN Recommendation 33, which set out the basis for setting up a Single Window environment in July 2005, there has been a revolution – due to a number of different driving forces, said Maria Ceccarelli.

Key amongst these has been the World Trade Organization's Trade Facilitation Agreement (TFA), she said. Other driving forces have included regional and national priorities, as well as the continued development of technology which has enabled exchange of information at government-to-government, business-to-government and business-to-business levels.

UN/CEFACT has always been very supportive of governments and business in improving their Single Window systems to facilitate international trade she said; among the work done by its groups, she listed Recommendation 34 on data simplification and standardisation; Recommendation 35 establishing a legal framework; and Recommendation 36 on Single Window interoperability. "The evolution of the Single Window theme has included the development of platforms for Trade, Customs or Maritime. Today we will explore current and future solutions to today's challenges. I hope today's discussions will form the basis for a new, innovative Recommendation 37 on Single Window."

Keynote Address: The Single Window and the WTO Trade Facilitation Agreement

Alejandro Gamboa-Alder, Market Access Division, World Trade Organization

On 22 February 2017, the WTO's Trade Facilitation Agreement (TFA) entered into force. Alejandro Gamboa-Alder outlined the objectives of the TFA – simplification, harmonisation and automation of procedures applied to international trade, particularly the requirements and formalities relating to importation and exportation with a view to further expediting the movement, release and clearance of goods, including goods in transit.

From the publication and availability of information, to disciplines on fees and charges, to Customs cooperation, to freedom of transit, he explained how the TFA cuts red tape at the border for easier trade.

As for the Single Window, this can be defined in different ways, he said – as an interface, a portal, a mechanism, a system – but in sum, it is a facility. The important element, as outlined in Article 10.4 of the TFA, is that there must be one-time submission where a trader will not be asked again for the same information.

“The difficulties with Single Window can be very complex. For example, one country has two Single Windows – one for imports, one for exports – and it took five years to merge them.” Of all the notifications that the WTO has received from developing and least-developed Members, the Single Window (Article 10.4) is the least notified measure in Category A, due to complexities involved in implementing one. Nevertheless, and even if it’s a ‘best endeavour’ provision, developing and LDC Members have put a lot of efforts into implementing it.”

All Members are required to notify the details of the operation of their respective Single Windows to the WTO Committee.

Gamboa-Alder emphasised that the implementation of the Single Window could not be undertaken in clinical isolation. Many provisions in the TFA relate to the Single Window – not only the ones contained in Article 10.4. In addition, it requires political will, strong cooperation, coordination and commitment between border agencies and other regulatory authorities, thorough and intensive discussion, and a change in mindset and cultural habits in both public and private sectors. It’s a living system and it requires permanent update from parties involved.

“People are used to having hard paper documents and say they don’t need a Single Window. This is all about a change in mentality,” he said.

First Session: Single Window Evolution

Ensuring Data Quality in the Evolution of Single Window Environments

Armen Manukyan, Technical Attaché, Procedures and Facilitation Sub-Directorate, World Customs Organization

We are facing an environment where digitalisation is everywhere, said Armen Manukyan. We can expect to see a substantial increase in the volume of data available and an increase in data sources – including the Internet of Things, Big Data, RFID, smart devices and smart containers.

“Gartner has estimated that by 2025, there could be 25 billion smart devices in the world – all will be connected to the Internet.”

The Single Window is using more and more data – and devices such as a smart container can be directly providing information. It is vital to have the right policies and systems in

place, he said. "Risk management is a very important aspect in Single Window. If the data is not accurate, there is risk. Without proper risk management, results can't be achieved."

We need to move towards standardisation of data, to ensure that data produced by different actors and devices is data that can actually be used within the Single Window environment, he emphasises.

Ensuring the accuracy, integrity or completeness of data is vital. "We have identified two ways – non-system measures such as a voluntary compliance framework, and system or technical measures, such as the use of international standard codes, registration and authentication of automated system users to prevent misuse/illegal use of the system, and ensuring the proficiency and professionalism of the declaring agent.

There is going to be increasing demand for training in Single Window implementation, said Manukyan – in response, the WCO is developing an e-learning module.

Eurasian Economic Commission initiatives on National Single Window development of the Eurasian Economic Union Member States

Aleksei Bondarenko, Department of Customs Legislation and Law Enforcement Practice, Eurasian Economic Commission (EEC)

The Eurasian Economic Union Single Window project was launched in 2014. The project's basic principles are that each of the five Member States in the Union develops its own National Single Window, while coordinating and bringing together projects to ensure mutual recognition of electronic data and Single Window interoperability, said Aleksei Bondarenko. The project makes use of the integrated information system of the Union for the organization of National Single Window information exchange.

He outlined the scope of the project, encompassing B2B, B2G and G2G and covering a wide range of activities representing the whole chain of international trade.

"We have been providing a trade facilitation / Single Window initiative for many years; the EEC has had a coordinating role at supranational level."

The project's stages are: planning on the supranational level; making common guidelines; collaboration and coordination; monitoring of the implementation; and preparation of reports and Single Window promotion.

Bondarenko explained the strategic plan 2015 through to 2020, involving both national and international project management and encompassing organization, legal, IT and governance issues.

"According to research, Customs was more successful [than other stakeholders] in the matter of electronic transactions. There are a lot of problems in other spheres of operation. But it is necessary to have full electronic data flow in all spheres for an effective functioning of a Single Window and that is one of the challenges."

He listed the main characteristics for an advanced reference model as: high level of trust; information submitted once; full list of services; flexibility and transparency; all levels of interaction; and intellectual mechanism.

However, he emphasised, the basic Recommendation on Single Window needs updating, taking into account the new realities of international trade. “We need to think about how to update the Recommendation, as it was issued more than ten years ago.”

Central American Regional Single Window

Javier Gutierrez, Executive Director, Secretariat for the Economic Integration of Central America (SIECA)

Central America currently exports 33% of its goods to the US, its biggest trading partner; however, 32% of its exports stay intra-regional. This partly explains how the region could withstand the 2008 crisis – while the US was contracting, Central America was growing, said Javier Gutierrez

Commodities are part of the export mix but so too are manufactured and semi-manufactured goods, with a higher added value content in intra-regional exports, he said.

However, research shows that regional value chains are largely restricted to trade between neighbouring countries, because of the ‘boundaries and walls’ that humans put up.

“Trade can move at a certain speed within the country but then it arrives at the border and can take 48 hours or more before goods are cleared. The high costs of transport, lack of harmonisation and regulatory convergence, and border inefficiency accounts for 25-40% of the final price paid by the consumer.”

Trade authorities defined a project to design and implement the Central American Digital Trade Platform, in compliance with a Presidential Mandate to implement the Central American Strategy for Trade Facilitation and Competitiveness. This project recently started its second phase, with financial support from the European Union.

The aim is to promote trade facilitation through regulatory harmonisation and process automation, by implementing a digital platform available to commercial operators: to increase competitiveness in Central America, reduce costs for trade operations, accelerate the movement of goods and people in Central America, and improve security and risk management by implementing more efficient controls.

Gutierrez outlined the phases and scope of the project and said: “We believe it will encourage SMEs to take part in intra-regional trade. We are asking through national workshops where it makes sense to make processes regional or keep them national. This will improve the dynamics of trade in Central America and deliver best practice.”

The automation of procedures and reduction of export/import times in Central America could lead to 3% increase in Central America’s GDP, an 11.9% increase in exports and imports, and – in some cases – a doubling of tax revenue.

European Commission initiatives in Single Window: two speakers

Jukka Savo, Policy Officer, DG MOVE

EU Directive 2010/65 on ships reporting formalities required all EU Member States, by a deadline of 1 June 2015, to accept electronic reports via a National Single Window – but did not specify which authority or what type of technical solution should drive this, said Jukka Savo.

The progress of that legislation is now being evaluated, with a report due later this year. “Preliminary observations are that paper is still used quite extensively in EU ports, even though the legislation basically doesn’t allow it. Harmonisation, a core requirement of the Directive, is still not there and the ‘submit only once’ does not really exist.”

He outlined several reasons for this. First, there are still old habits, processes and systems. “In many cases, the local authority doesn’t want to change the way that they do things. So there is duplication – information is still asked for on paper but now also through the official Single Window. This increases the workload and it actually makes the system more burdensome than it was before. This double reporting also automatically means that there is no harmonisation.”

Second, said Savo, technical issues are important but relatively easy to solve. “I don’t want to emphasise the technical side – we just have to agree which technology and standards to use, possibly adding missing things. But agreeing on data definitions is important.”

Third, he said, is ‘lack of will’. “Authorities are forgetting that this is about facilitating trade. We get a lot of feedback from authorities; they completely forget why they did the initiative in the first place.”

Shipping is international, he emphasised: “And if we don’t take this international perspective and harmonise within the region or wider, the positive impact is very small, because every ship call will continue to be different. That thinking is missing. Port authorities often say ‘we have a fantastic system’ but forget that it doesn’t help shipping if the system is different to the system in place somewhere else.

However, on the positive side, there is now a much better cooperation between actors, he said. “Also, nearly all stakeholders now recognise that we need to improve the situation and have it corrected. So the true will to change things for the better is now emerging.”

Zahouani Saadaoui, DG TAXUD

Zahouani Saadaoui outlined the state of play and future plans in the EU Single Window environment for Customs. The Council Conclusions on Electronic Customs and Single Window Implementation in the European Union (December 2014) invited the EC and Member States to: revise the e-Customs Decision to provide a legal framework for the development of an EU-Single Window environment for Customs; and prepare a work plan to enable the progressive implementation of this. The Project Group charged with this work was set up in December 2016.

“We have focused our efforts first at the EU level with supporting documents or certificates, licences, permits, etc., necessary to clear goods at the border. This is the first stage,” said

Saadaoui. "We are providing a facility to national Customs to be able to check and validate certificates online in automated way, moving away from paper certificates – for example, in phytosanitary.

"We talk about the 'Single Window environment' and not 'Single Window' any more." The concept is of a Single Window environment for Customs rather than a single EU Single Window, he said. EU Single Window services would co-exist with interoperable national systems.

Second session: Technical Innovation

Single Window Terminology

Lance Thompson, Chairman, UN/CEFACT

UN/CEFACT launched a project about six months ago to clarify terminology related to Single Window – in terms of interpretation of what is involved in Recommendation 33, how Single Windows are being implemented in different countries, and what private sector initiatives offer services similar to a Single Window, said Lance Thompson.

"For example, the Recommendation 33 definition of a Single Window can be broken into five points: parties involved in trade and transport; standardised information and documents; single entry point; regulatory requirements; and single submission of individual data elements.

"First and foremost, Single Window is meant to be a trade facilitation mechanism – technology is the tool, not the goal."

When it comes to the principle of single submission of individual data elements, he expressed concern that when multiple 'Single Windows' coexist in the same economy – for example, Customs and Maritime – the trader has to talk to multiple Single Windows. "The aim of the terminology paper has been to clearly define what is meant by National Single Window. It means there are NO other Single Windows nationally for trade. It may be run by a maritime organisation or a Customs organisation, but there would not be two separate Single Windows. If there are multiple systems, the paper suggests they should use other terminologies. If you are a maritime shipping line, for example, you should only have to talk to one platform, not two; Customs and Maritime systems should talk to each other and transmit data."

Other platforms contributing to trade facilitation might include a Port Community System, Cargo Community System, Information Hub, One-Stop Shop or Joint Border Crossing, amongst others.

In conclusion, Thompson said: "A system is only a Single Window if it responds to the five points of the Single Window definition in Recommendation 33."

Digitisation – Business & Government

Jalal Benhayoun, Managing Director, PORTNET, Morocco

Morocco's Port Community System and national single window, PORTNET, was introduced by Richard Morton as 'one of the most advanced Single Windows in all aspects'.

In his presentation, Jalal Benhayoun described 'The Paperlessness of Procedures and the Environmental Approach', and PORTNET as an integration tool in the foreign trade supply chain, while protecting the environment.

The development of a national single window for foreign trade procedures is a vital tool to improve the effectiveness of the foreign trade logistics chain and the quality of service, and reduce the waiting time and storage period of export as well as import goods. It is also an efficient tool to overcome problems and uncertainty in this field."

A joint government-private sector initiative, Morocco's National Single Window includes not only maritime supply chain players and importers/exporters, but also banks and other stakeholders. It has more than 24,000 users and is operational in nine commercial ports.

Benhayoun said that apart from streamlining cargo and information flows, an interesting added extra has been the environmental benefits of going paperless for import documents, export licences, Customs and maritime documents, tracker sheets, etc.

"Companies waste more than 2% of their turnover on the internal management of paper," he said. An environmental study calculated that the annual gains made by having paperless import documents alone were 212,500 trees, 331m litres of water, 51m kWh of electricity, 8m kgs of CO2 and 37,500 cu m of rubbish.

Overall, PORTNET's move to paperless has saved Morocco the equivalent of fresh water for 7,735 houses, electricity for 42,053 houses and waste from 15,727 houses, together with 800,000 trees. "Knowing that only half of our foreign trade procedures are currently paperless, we are aware of our duty to continue promoting our paperless policy."

Information sharing in an IT legacy world

Mikael Renz, Head of IT Strategy and Architecture, Sjöfartsverket, Sweden

What are the challenges and solutions when information sharing in a Maritime Single Window? "The key for me is information sharing in a world full of old legacy IT systems," said Mikael Renz, who is a national expert at the IMO, WCO and UN/CEFACT.

Sweden's Maritime Single Window, fully implemented in October 2016, encompasses pilotage, crew, passengers, documentation, security, health, Customs, ship's stores, dangerous cargo, waste, port, fairway declaration and expanded inspections. It connects ports, Customs and Coast Guard in a comprehensive information sharing system.

However, this is a real technical challenge, said Renz – not least because users can be on different operating systems (PC/Mac). To resolve this, a GUI (graphical user interface) has been developed and implemented to allow all authorities complete integration with the

Maritime Single Window. "This use of new technology is appreciated by users – they find it easy to navigate, with not a lot of tabs to get round. The result looks really simple.

The challenges of integration are increased at a European level, he said. "All countries are different and have different implementation strategies. And then there are the legacy systems behind it. We want to achieve information sharing – that is our goal – but sometimes you have [IT] systems that don't want to talk to anything else."

There are two ways of sending information – through GUI or machine-to-machine, he said.

"We agreed among the participating administrations and ports they have to provide one interface where we send the data that is supposed to go to them. So Customs only gets Customs data, Coast Guard only gets Coast Guard data, etc.

"So we don't have to integrate into 190 different old IT systems talking whatever language they come up with and possibly 'home invented' so no one understands it."

Renz concluded with a list of 'lessons learned', including: do not mix business logic with integrations; let integration become top priority; use a data model for conceptual work; use standards, but select with care.

Single Window, e-CMR, Blockchain – How they can fit together

Rudy Hemeleers, independent management advisor, 51Biz, Luxembourg

Formerly an air-cargo forwarding specialist, Rudy Hemeleers described himself as 'working in the real world' in terms of trade and logistics and related digitalisation.

In considering the added value of blockchain business solutions for multimodal logistics trade lanes, he took a case study of flowers being transported from Colombia to Brussels and Geneva, based on a Perishables Reference Trade Lane, explaining step by step the way in which data is captured at source to be re-used along the supply chain by trusted private and public partners.

He said the challenges of electronic transport documents are: trusting in the uniqueness and integrity of the digital information; trust in private systems; enabling single access to multiple logistics partners; avoiding sharing sensitive data with multiple digital platforms, keeping control over commercial data; but also facilitating border control risk analysis and profiling.

Blockchain could provide a solution to guarantee the uniqueness and integrity of digital logistics documents, he said.

In conclusion, Hemeleers said, 50-60% of the information required is available at the source of multimodal trade lanes; it's all about sharing data with trusted business partners and government agencies; and Single Window can provide single access to trusted private and public data services, ensure harmonisation towards data interoperability, and regulate and control information service providers.

"Blockchain today is a little bit in the future but we have to design it today to be able to use it tomorrow."