Conducting Feasibility Study and Developing Master Plan for Single Window Implementation

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Contents

1. Single Window in General
2. Conducting Feasibility Study
3. Developing Master Plan
4. Conclusion
1. Single Window in general

- Complicated international trade
- Single Window simplifies process
- General Single Window implementation Framework
International trade is complicated!

Typical Trade
30 Parties
40 Documents

1. Single Window

APEC (1996)
Single Window simplifies trade process

1. Single Window

- **BUYER**
  - Attorney
  - Contract
  - Proposal
  - Quote
  - Bank (Importer’s)
  - Shipper

- **SELLER**
  - Attorney
  - Contract
  - Final Contract
  - Shipper

- **Single Window**
  - Customs
    - Declaration Acceptance
    - Application

  - Chamber of Commerce
    - Application
    - Certificate of Origin

  - Insurance
    - Application
    - Insurance Documents

  - Forwarder
    - Application

- **Bank**
  - (Exporter’s)
  - Letter of Credit
  - Bill of Lading & Letter of Credit

- **Shipper**
  - Application

Single Window simplifies trade process.
Benefit of Single Window

No Single Window

With Single Window

Cost

Users

Cost

Users
General Single Window Implementation Framework

1. Initiatives for Single Window Implementation Environment

1.1 Concept Note ⇒ 1.2 Feasibility Study ⇒ 1.3 High Level Single Window Master Plan ⇒ 1.4 Institutional Arrangement (National Single Window Committee or National Trade Facilitation Committee) ⇒ 1.5 Financial Plan

2. Single Window Designing

2.1 Project Management Office (Group) ⇒ 2.2 Single Window Implementation Action Plan ⇒ 2.3 Business Process Reengineering (Innovation) and Single Window Business Modeling ⇒ 2.4 Data Harmonization and Standardization • Revision of Laws and Regulations ⇒ 2.5 Information Strategy Planning

3. Development and Operation of Single Window Infrastructure

3.1 Development of Single Window Infrastructure and Application ⇒ 3.2 Change Management and Capacity Building ⇒ 3.3 Single Window Operation and Expansion
2. Conducting Feasibility Study

- What is Feasibility Study?
- Objectives of Feasibility Study on Single Window Implementation
- Who should undertake Feasibility Study and when?
- Methodology for F/S on Single Window implementation
- Case: F/S for Mongolian Single Electronic Window
What is Feasibility Study?

- Five areas of feasibility that determine whether a project should run or not
  - T - Technical - Is the project technically possible? Or what technical options are available?
  - E - Economic - Can the project be afforded? Will the project be benefit?
  - L - Legal - Is the project legal? Or what are the gaps between a deliverable of a project and current legislation?
  - O - Organizational (Operational) - Will the organization accept the change? Or will the solution work properly in the organization if implemented?
  - S - Scheduling - Can the project be done in time? Or what is the expected time frame to undertake the project successfully?

- F/S for Single Window implementation?
  - Coordination of the interests of stakeholders from public and private sectors
  - Simplification of procedures of data and document exchange including data harmonization and standardization for trade facilitation
  - A national level large scale ICT Project
Objectives of F/S on Single Window Implementation – Rec. No. 33

- The Feasibility Study on Single Window implementation is to provide advice on which option is preferable and feasible for the country, the manner in which the implementation of Single Window should take place (i.e. full or phased implementation), the possible steps for a phased implementation, the nature and extent of an initial pilot implementation, the potential for revenue collection (for fees, duties, etc), the identification of ‘key’ deliverables and a recommended timetable for development and implementation and financial and operational options.

Consideration – Rec. No. 33

- It is important to emphasize that the development of a Single Window does not presuppose the existence of or requirement for a sophisticated computerized information system for the receipt, storage and sharing of information. Clearly information technology can have a huge positive impact on the potential for sharing information in a Single Window context, and this is the more common approach in Single Windows. It should also be stated that, when considering the technical requirements for a Single Window, the value of and investment in existing legacy systems should be respected. Although it may sometimes be necessary to replace such systems, a practical approach for sharing and exchanging information between agencies may well be the establishment of a central portal or gateway.
Who should undertake F/S?

- Pertinent features of a strong lead agency
  - Political and/or legal empowerment for the implementation of the SW
  - Strong self-commitment of the organization as a whole
  - A committed leader within the organization to spearhead the process
  - Mandated authority over trade-related regulatory requirement(s).
  - Adequate human and financial resources to carry out the implementation
  - Technical and managerial capacity to handle diverse implementation issues
  - Connectivity with other stakeholders, including the trading community

- Lead agency of Single Window implementation
  - Thailand, Vietnam, and Indonesia – Customs
  - Singapore – The Singapore Trade Development Board (STDB)
  - Kenya – Kenya Revenue Authority (KRA) and Kenya Ports Authority (KPA)
  - Mongolia – Mongolia Customs General Agency (MGCA) and Mongolia National Chamber of Commerce and Industry (MNCCI)
2. What is Feasibility Study?

Methodology of F/S for Single Window implementation

- 5 stages of F/S

  1. Study Group
  2. Environment Analysis
  3. AS-IS Analysis
  4. Future Model & Feasibility Analysis
  5. Reporting

- Building a Study Group
- Study Group Planning
- Single Window Environment Analysis
- ICT Status Analysis
- Business Process Analysis
- Define demands and improvement factors
- Best Practice Analysis
- Gap Analysis
- Define Future Model
- Feasibility Analysis
- Draft Report Review
- Final Report

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tradeHub
Methodology for F/S on Single Window

■ Building Study Group
  • Develop F/S plan, build a Study Group, develop a F/S action plan

■ Environment Analysis  implications (improvement opportunity)
  • Analyze general environment for S/W such as related laws/regulations, stakeholders, and national level ICT plan/environment

■ AS-IS Analysis  implications (improvement opportunity)
  • Conduct Business Process Analysis on trade procedures such as customs, logistics, licensing and certification, banking and trade finance
  • Conduct ICT Status Analysis on System and application level of stakeholders ICT infrastructure (H/W and N/W)
  • Define improvement opportunities(factors) and stakeholder demands
  • Analyze best practices and business/technical trends, and define the gap

■ Future Model and Feasibility Analysis
  • Define the vision, key words, strategy and future Single Window architecture
  • Analyze 5 areas of the feasibility and develop implementation strategy

■ Reporting

2. What is Feasibility Study?
Case : F/S for Mongolian Single Electronic Window

F/S for MSEW

- MGCA and NIPA (National ICT Promotion Agency) of Korea
- September 2010 ~ November 2010
  NIPA provides feasibility Study to other countries in needs as part of Korean Government’s intergovernmental cooperation measure

Vision, key words and main tasks were derived from study
2. What is Feasibility Study?

Case: F/S for Mongolian Single Electronic Window

Result of F/S for MSEW
2. What is Feasibility Study?

Case: F/S for Mongolian Single Electronic Window

- Result of F/S for MSEW

11. Detailed Expected Benefits

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<th>MSEW 1st</th>
<th>MSEW 2nd</th>
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<th>Expected Benefit (Unit: USD)</th>
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TOTAL: 101,422,500
3. Developing Master Plan

- What is the Master Plan for Single Window implementation?
- Key elements of Master Plan
- Case: Master for Korean and Mongolian Single Window
What is the Master Plan for Single Window implementation?

- Objectives

- To align Single Window objectives with the current As-Is status, and to define clear paths for development and deployment of the target To-Be Single Window including an institutional mechanism. After a S/W high-level master plan is initially established, it would become the reference for future implementation and deployment initiatives responding to SW requirements.
## Key Elements of a Master Plan

<table>
<thead>
<tr>
<th>Key Elements</th>
<th>Description</th>
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<tbody>
<tr>
<td><strong>Single Window Vision and Objectives</strong></td>
<td>A clear statement of the project's Vision, goals and objectives. <strong>The vision and objective should be set for the benefit of trade community but not for Government.</strong></td>
</tr>
<tr>
<td><strong>Project Needs</strong></td>
<td>Define <strong>Gap</strong> between AS-IS and the Goal</td>
</tr>
<tr>
<td><strong>Single Window Model and Scope</strong></td>
<td>A clear statement of <strong>Single Window model and scopes</strong> to be implemented</td>
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<tr>
<td><strong>Expected Benefits of Single Window</strong></td>
<td>Describe the <strong>benefits</strong> of private sectors as well as that of public sectors involved</td>
</tr>
<tr>
<td><strong>Institutional arrangement and political commitment for stakeholder coordination</strong></td>
<td>This is essential to keep <strong>all stakeholders informed and “on-board”</strong> throughout the project. Formal institutional arrangements should be addressed to facilitate the participation of all stakeholders in the development of the Single Window – relevant government agencies and private sector representatives. The participation of the private sector, as the ultimate user of the services provided by the SW, is critical in order to gain information from the user perspective.</td>
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<tr>
<td><strong>Business Process Reengineering (Innovation)</strong></td>
<td>In the High Level Master Plan, <strong>the importance of and needs for the BPR</strong>, in alliance with the Single Window scope, should be defined and arranged in advance to actual designing the system and implementation of it.</td>
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</table>
### Key Elements of a Master Plan

<table>
<thead>
<tr>
<th>Key Elements</th>
<th>Description</th>
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<tr>
<td>Revision of legal infrastructure</td>
<td>Achieve the required legislative changes to operate a Single Window; - Develop, or modify where necessary, existing legacy systems</td>
</tr>
<tr>
<td>Major Components or Functionalities of Single Window</td>
<td>Identify components and functions essential to carrying out its responsibilities of related government agencies in the Single Window scope</td>
</tr>
<tr>
<td>Single Window Business and Operation Model</td>
<td>Identify a Business Case for the establishment of a Single Window under each proposed scenario, including an estimate of the initial (development) and operating costs, value of the benefits, sustainability, possible mechanisms for revenue collection and time frames for implementation;</td>
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<tr>
<td>Project Budget and Source</td>
<td>Expected Project Implementation <strong>Budget and Source</strong></td>
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<tr>
<td>Development approach and schedule</td>
<td>In consideration of the implementation strategy, scope, readiness and budget of the Single Window implementation, full or phased approach method and schedule should be defined.</td>
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<tr>
<td>Human Resources and Training</td>
<td>Define human resource inputs and capacity building needs</td>
</tr>
<tr>
<td>Promotion plan</td>
<td>Recommend a promotion strategy for the development and operation of the Single Window A ‘Compulsory’ or a ‘voluntary’ use of the Single Window services could be considered as a part of promotion plan</td>
</tr>
</tbody>
</table>
3. Developing Master Plan

Case: Master Plan for Mongolian National Single Window

- Master Plan was prepared by MGCA and MNCCI with the technical support of UNESCAP.
Case : Master for Korean and Mongolian Single Window

The follow-up on the Master Plan – Financial plan and institutional arrangement

- Donor Meeting was held on 15 April 2011 by Ministry of Finance of Mongolia and Ministry of Foreign Affairs and Trade of Mongolia in cooperation with MGCA and MNCCI with the support of UNESCAP and ADB at Ulaanbaatar, Mongolia

- Resolution on the Master Plan and establishment of Mongolian National Single Window Steering Committee and 4 Sub-Working Groups by Parliament on 8th June 2011
  - Chairman – Minister of Foreign Affairs
  - 2 Secretariat representing public and private sector – MCGA and MNCCI
  - Members – State Secretary of 7 Ministries and Director General of related agencies
4. Conclusion
A F/S and a M/P are the corner stones of S/W implementation

A good F/S and M/P can help to:

- Develop clear vision and action plans for Single Window implementation
- Keep stakeholders “on board” and share consensus on Single Window concept and benefits
- Prepare the sustainable operation of Single Window

Consideration must be given that S/W is for traders!

- The reform of laws and process should focus on the benefit of traders
- S/W should eliminate the digital gap between large enterprise and SME
- S/W should play a trusted third party role
THANK YOU!

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