

# **Conducting Feasibility Study and Developing Master Plan for Single Window Implementation**

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Sung Heun Ha

**KTNET**

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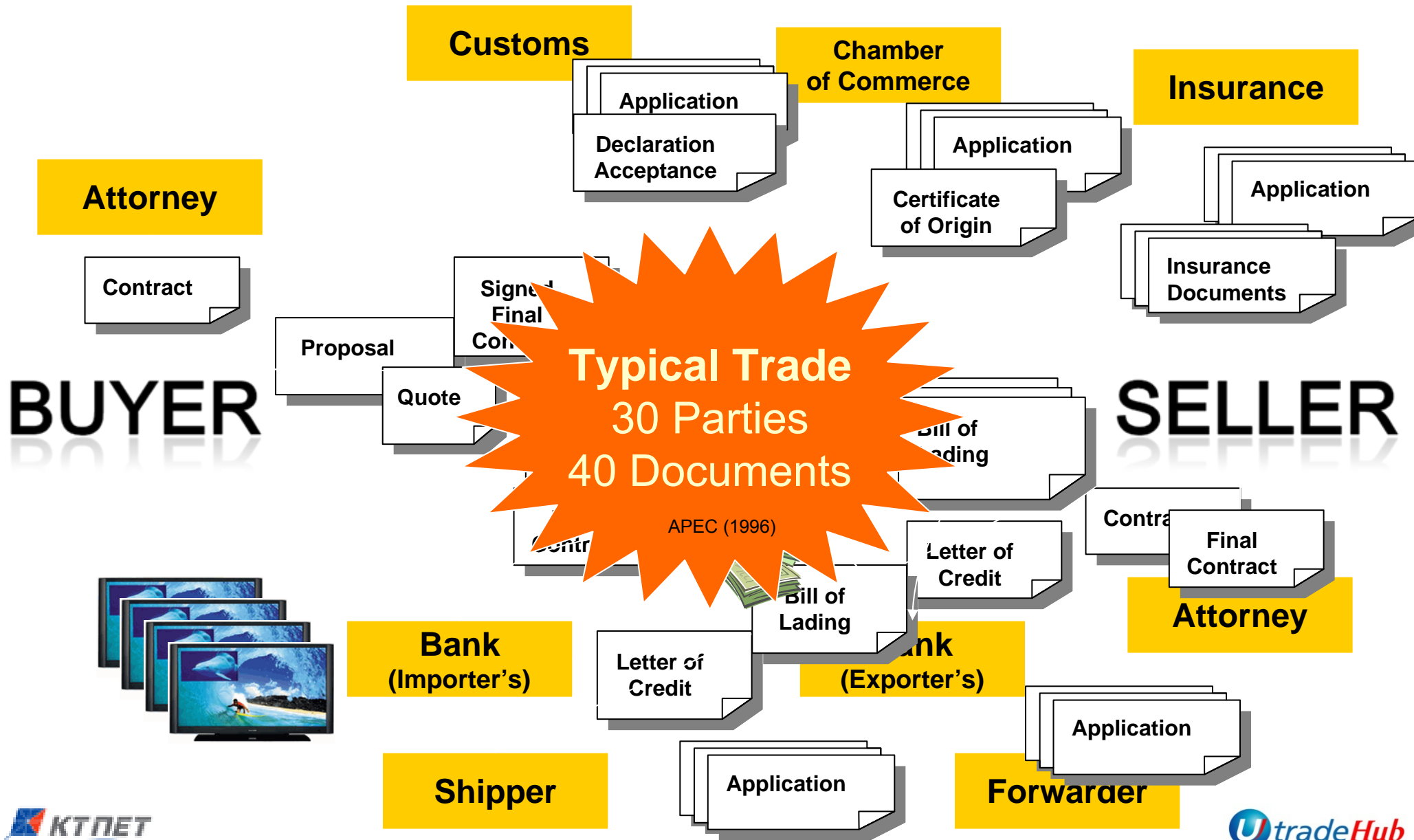
- 1. Single Window in General**
- 2. Conducting Feasibility Study**
- 3. Developing Master Plan**
- 4. Conclusion**

# 1. Single Window in general

- Complicated international trade
- Single Window simplifies process
- General Single Window implementation Framework

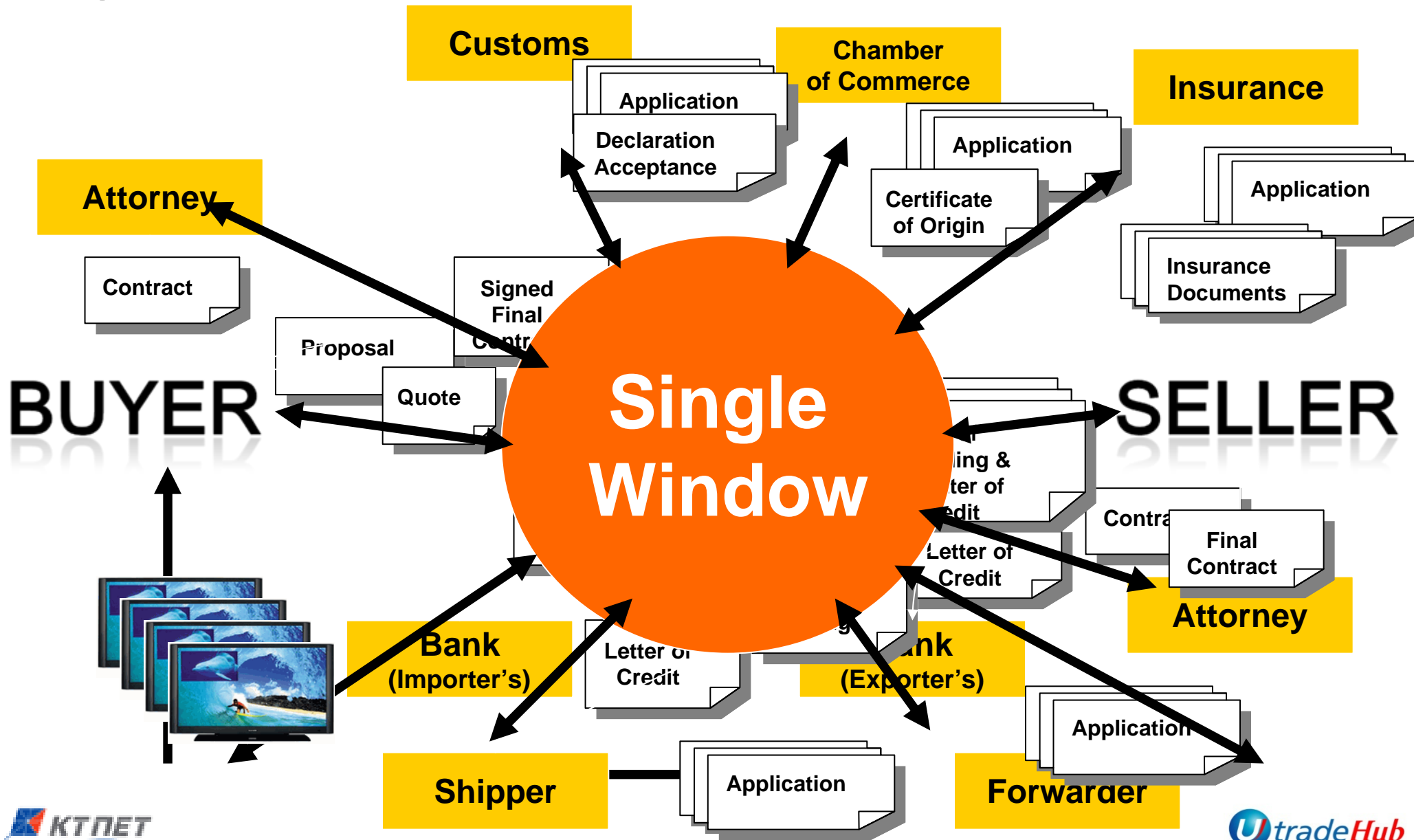
## 1. Single Window

International trade is complicated!



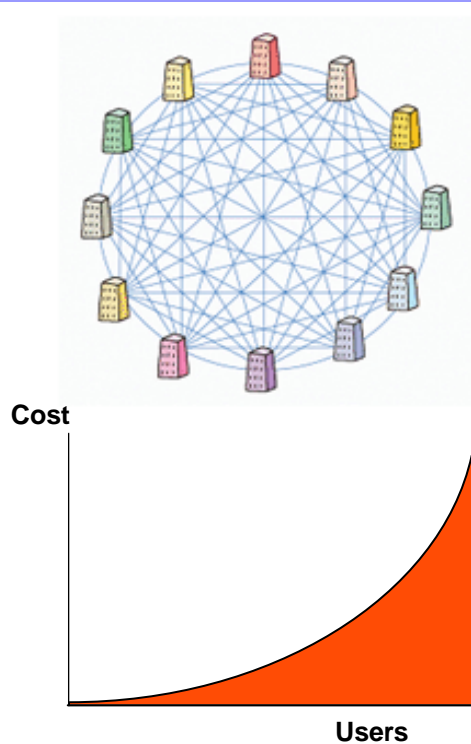
## 1. Single Window

Single Window simplifies trade process

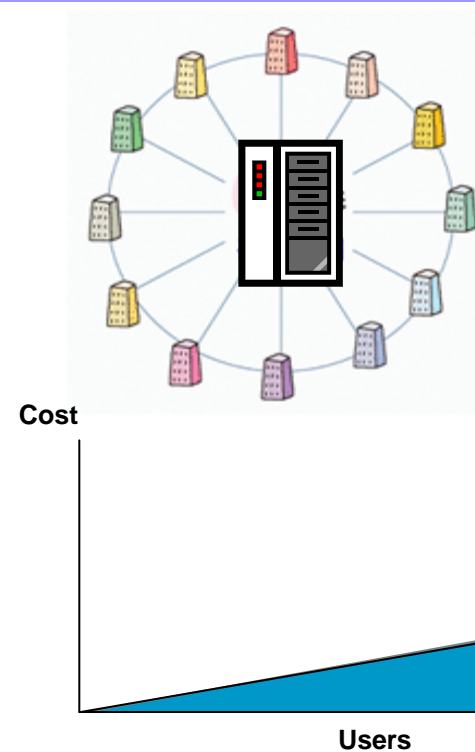


## Benefit of Single Window

**No** Single Window



**With** Single Window



# 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

# What is Feasibility Study?

### ■ 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 pre-suppose 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

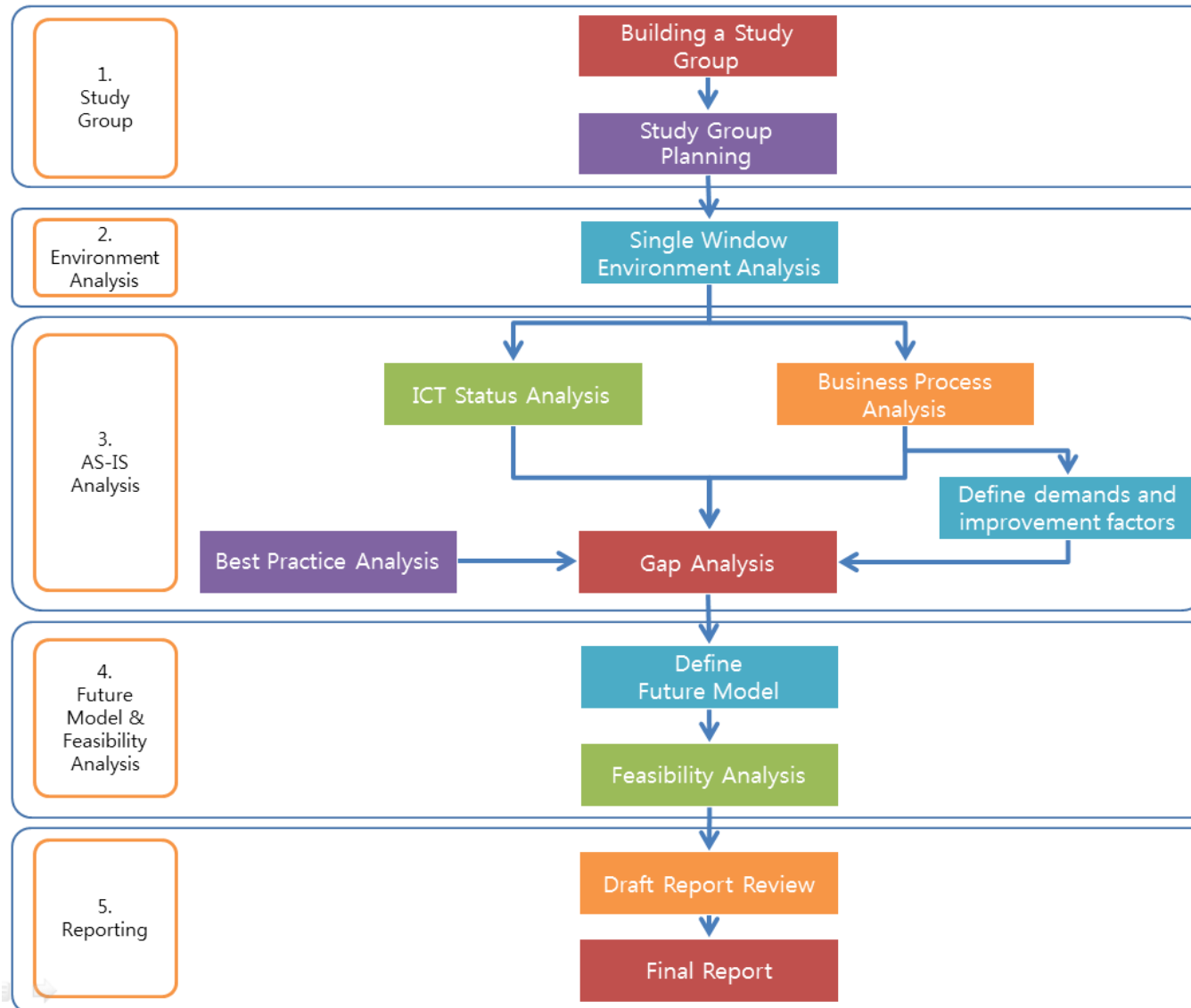
- Political and/or legal empowerment for the implementation of the SW
- Strong self-commitment of the organization as a whole
- A committed leader within the organization to spearhead the process
- Mandated authority over trade-related regulatory requirement(s).
- Adequate human and financial resources 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)

# Methodology of F/S for Single Window implementation

### ■ 5 stages of F/S



# 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

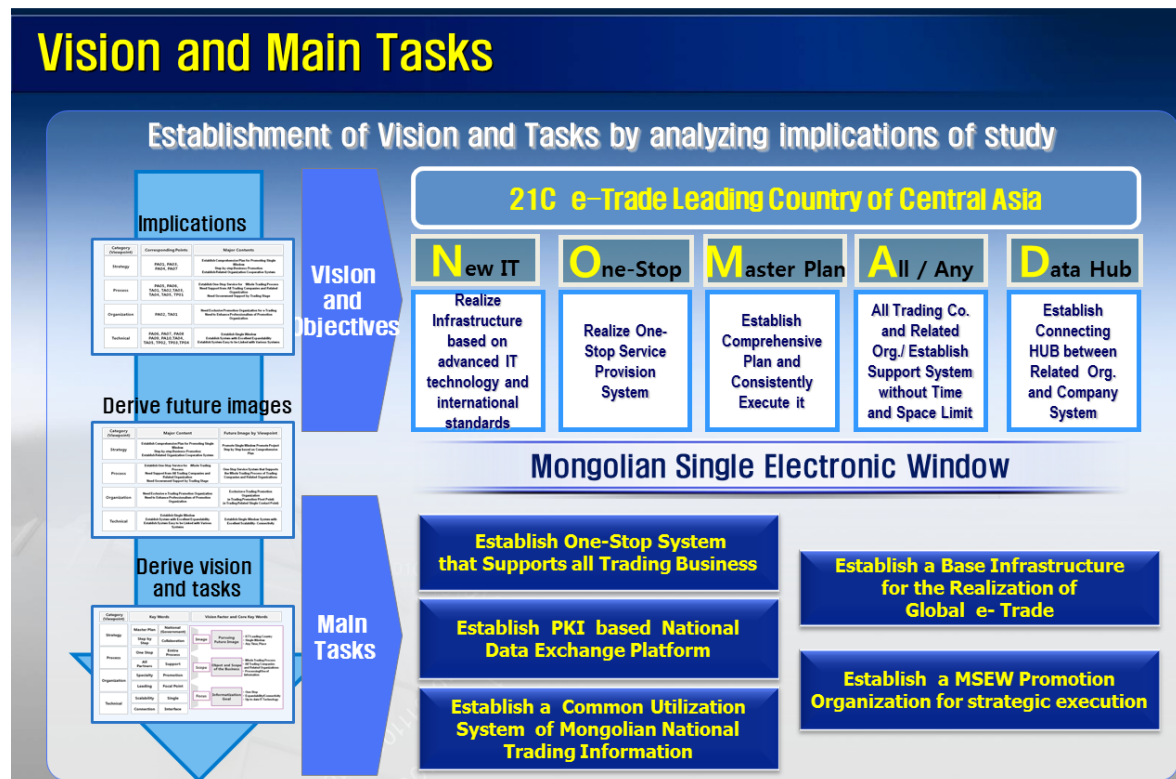
- Define the vision, key words, strategy and future Single Window architecture
- Analyze 5 areas of the feasibility and develop implementation strategy

## ■ Reporting

# 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





# Case : F/S for Mongolian Single Electronic Window

## Result of F/S for MSEW

### 2. Political Analysis

**Political Analysis : Internal Environment Analysis**

**S Strategy**

- Each Institutes carry out variety of informatization projects under clearly defined national ICT strategy like Vision2010, e-Mongolia
- ICT strategy is composed 3 steps.  
(Under Legal assurance of paperless trade, Establish basic infrastructure, after that find Development service applications)
- There are some strategy relate Single Window Vision2010, e-Mongolia, However there is national master plan for Single Window

**O Organization**

- Single Window Working Group is organized NCTTF (The Mongolian National Committee on Transport Facilitation)
- The Mongolian National Committee on Transport Facilitation (NCTTF) is the official

**Advanced Case Study of Korea**

**Project Promotion Aspect**

**Major Implications**

**Status of Laws for Legal assurance of e-Government**

**3. Status of Mongolian Trade Process**

**Status and Implications**

- Offline based Trade Marketing  
Need of Establishment and Op of Marketing Portal
- Offline based Permission/Approval Issuance Biz  
Lack of Information Connection among Trade Related Organizations
- Offline Based Foreign Settlement  
Interface between Bank Communities System Required

### 4. Status of Trade Related Informatization

**Trade Marketing**

**Trade Regulation**

**Foreign Settlement**

**Customs**

**Logistics**

**Need of automation Certificate/License Biz Interface between Customs**

**Logistics Biz data need of interface national logistics system Monitoring & Tracking System**

**Support for Trade Marketing focused on MNCCI**

- Ministry of Health provide Import License application function electronically using LICEMEDI
- Ministry of Environment being service on-line based provide toxic and hazardous chemicals Import License business
- Other License/Certificate authority are expecting on-line based business and data interface with other OGA

**Providing basic information via homepage of the relevant institute**

- No electronic type business processing function realized
- MNCCI provide C/O application function only in web site electronically

**International remitting service are provided using internet banking without Legal constraints**

- Lack of security and interoperability in internet banking system due to implementation by individual bank
- Operating as International Trade Rules like UCP, INCOTERMS etc...

### 6. To-Be System Details : Architecture



### 7. Driving Schedule (1/2)



### 10. Necessary Resource (1/2)

Phase	Title	MSEW			Remark
		1st Step	2nd Step	Total	
System	H/W	1,582,364	1,537,699	3,120,063	
	S/W	1,865,086	1,827,725	3,192,811	
	Labor Cost	2,324,417	2,501,907	5,126,324	
	Training & Education	291,602	277,990	569,592	
	Total	6,063,469	6,145,321	12,008,790	

System	Title	MSEW			Remark
		1ST Step	2ND Step	Total	
System	Data Exchange Platform	3,924,149	1,651,434	5,375,583	
	Trade Service Portal System	2,139,320	2,169,787	4,309,107	
	Trade Data Hub		2,324,101	2,324,101	
	Total	6,063,469	6,145,321	12,208,790	

# Case : F/S for Mongolian Single Electronic Window

## ■ Result of F/S for MSEW

### • Initial cash flow of MSEW

Category	MSEW 1 <sup>st</sup> Phase	MSEW 2 <sup>nd</sup> Phast	Operation			Total
	N	N+1	N+2	N+3	N+4	
Investment	6,063,469	6,145,321				12,208,790
H/W, S/W Maintenance			253,792	535,503	535,500	
H/R Cost	54,000	54,000	136,800	136,800	136,800	
Expected Revenue		448,000	538,000	538,000	538,000	

### • Possible Funding and Operation model of MSEW based on the cash flow

Category	Option 1	Option 2	Option 3
MSEW Funding	GoM	GoM	PPP
Feasibility	Valid	Valid	invalid
Operation Org.	GoM	Joint Co. (PPP)	Joint Co. (PPP)
Feasibility	Valid	Valid	Valid

## 11. Detailed Expected Benefits

Type	Calculating Elements	MSEW 1 <sup>st</sup>	MSEW 2 <sup>nd</sup>	Operation			Expected Benefit (Unit : USD)
		N	N+1	N+2	N+3	N+4	
The Cost Reduction through online connection saving and Productivity Improvement Effect driven by automation of trade process due to the implementation of Data Exchange Platform	The Saving Amount of Transmission Costs as off-line documents change into on-line						5,184,000
	The Productivity Improvement Effect driven by the automation of trade-related process						21,600,000
	Converted Amount of Cost Saving on preservation, searching and utilization through e-Documentation						1,080,000
	Sub Total						27,864,000
Working time Saving Effect and IT Investment Costs Saving Effect of trading company as a Trade Service Portal System establishment	Converted Amount of Business Process Reduction Time according to process improvement and on-line connection						10,368,000
	Self-establishment and Management Cost Saving Amount of each trading companies to use e-Trade Service.						39,862,500
	Sub Total						10,368,000
Statistical Documents Calculation Cost Saving Effect and Management Cost Reduction Effect as a establishment of Mongolian Trade Data Hub System	Cost Saving Effect of Raising the Ability of integrated statistical processing						12,960,000
	Cost Saving Effect of Reduced Time for identifying status details due to the informatization						2,592,000
	Sub Total						15,552,000
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

Key Elements	Description
Single Window Vision and Objectives	A clear statement of the project's Vision, goals and objectives. <b>The vision and objective should be set for the benefit of trade community</b> but not for Government.
Project Needs	Define <b>Gap</b> between AS-IS and the Goal
Single Window Model and Scope	A clear statement of <b>Single Window model and scopes</b> to be implemented
Expected Benefits of Single Window	Describe the <b>benefits</b> of private sectors as well as that of public sectors involved
Institutional arrangement and political commitment for stakeholder coordination	This is essential to keep <b>all stakeholders informed and “on-board”</b> 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.
Business Process Reengineering (Innovation)	In the High Level Master Plan, <b>the importance of and needs for the BPR</b> , in alliance with the Single Window scope, should be defined and arranged in advance to actual designing the system and implementation of it.

# Key Elements of a Master Plan

Key Elements	Description
Revision of legal infrastructure	Achieve the required legislative changes to operate a Single Window; - Develop, or modify where necessary, existing legacy systems
Major Components or Functionalities of Single Window	Identify components and functions essential to carrying out its responsibilities of related government agencies in the Single Window scope
Single Window Business and Operation Model	Identify a Business Case for the establishment of a Single Window under each proposed scenario, including an <b>estimate of the initial (development) and operating costs, value of the benefits, sustainability, possible mechanisms for revenue collection</b> and time frames for implementation;
Project Budget and Source	Expected Project Implementation <b>Budget and Source</b>
Development approach and schedule	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.
Human Resources and Training	Define human resource inputs and capacity building needs
Promotion plan	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

## Case : Master Plan for Mongolian National Single Window

■ Master Plan was prepared by MGCA and MNCCI with the technical support of UNESCAP

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## 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 8<sup>th</sup> 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!

Sungheun.ha@gmail.com