



Single Window Business models Service coverage, administrative and financial arrangements

National Workshop on Establishing
a Single Window in Mongolia
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1. Trade Facilitation Models – A Recap
2. Establishing the Single Window - What are the Costs?
3. Operating the Single Window - What's involved?
4. PPP Approach - Managing & Transferring Risk
5. Structuring the PPP – Establishing a “Special Purpose Vehicle
6. Mongolia Single Window - A Suggestion for the Way Forward



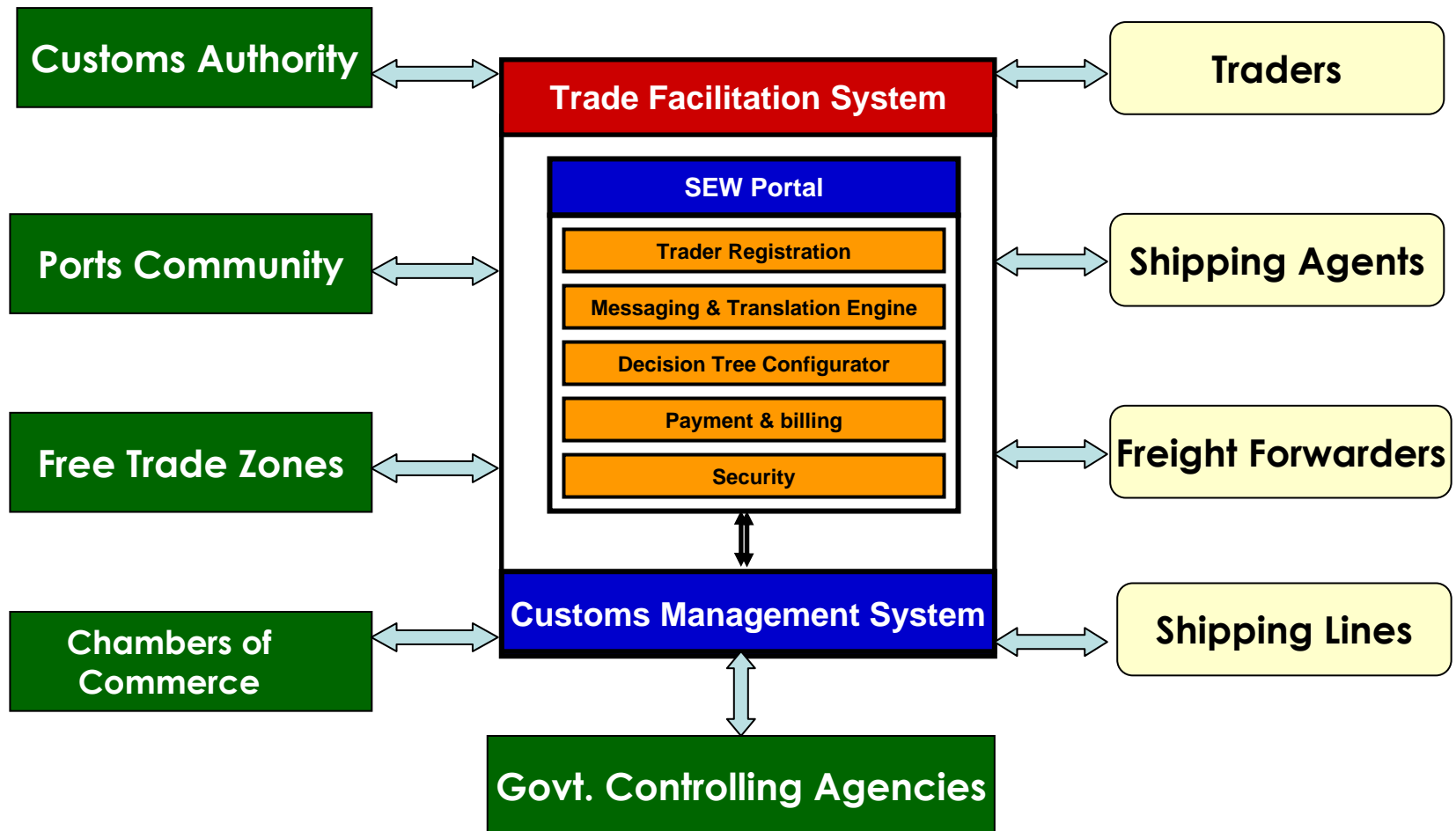
Trade Facilitation Models – A Recap

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Our Trade Facilitation Experience

Country	Project	Implemented	Business Model
Singapore 	TradeNet / TradeXchange	1989	Public Private Partnership (PPP)
Mauritius 	Mauritius TradeNet	1994	PPP
Ghana 	Ghana Community Network	2000	PPP
Panama 	1. Panama Canal Authority- ACP Automated Data Collection System	2004	Self Funded
	2. Colon Free Trade Zone System	2007	Self Funded
	3. Panama Customs Mgt System	2008	World Bank / IDB
Saudi Arabia 	SaudiEDI	2005	PPP
India 	Port Community System (India Port Association)	2007	Self Funded
Madagascar 	Madagascar (GASYNET)	2007	PPP
Ivory Coast 	Ivory Coast TradeNet	2008	PPP
Qatar 	Qatar Customs Clearance Single Window	On-going	Self Funded

Business-to-Govt Single Electronic Window



National Competitiveness

GDP Growth & Human Capital Development

Globalization & Connectivity

Investment Attraction

Trade Facilitation Efficiency & Security

Trade Facilitation Value Drivers

Value drivers

**Clearance
speed**

Cost of trade

**Security &
compliance**

Productivity

Enabling strategies

Fundamental strategies

1. Disengage payment process from physical transaction
2. Enable and encourage electronic information input and submission
3. Develop public-private partnership models with trading community
4. Integrate internal governance process across relevant departments
5. Enhance collaborative teaming

Leading practices

6. Adopt a risk management-based compliance approach
7. Implement and/or encourage preclearance and pre-certification programs
8. Integrate revenue collection into industry payment reconciliation processes
9. Implement strategic targeting programs
10. Exploit new technologies to streamline port and clearance procedures
11. Integrated service delivery/whole of government

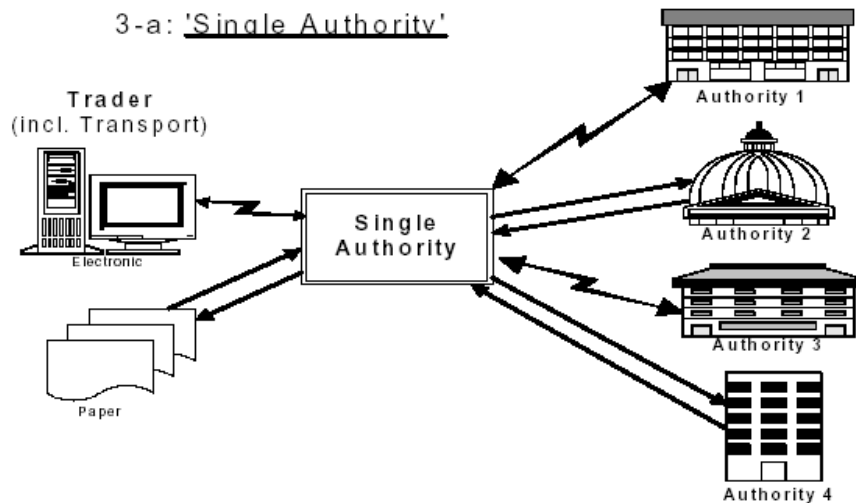
Emerging trends

12. Adopt virtual border clearance activities
13. Adopt standardized international payment methods
14. Consolidate and apply all available data to improve interdiction
15. Develop business partner capabilities with key industries
16. Develop new/expand international partnerships
17. Develop public-private information sharing mechanism

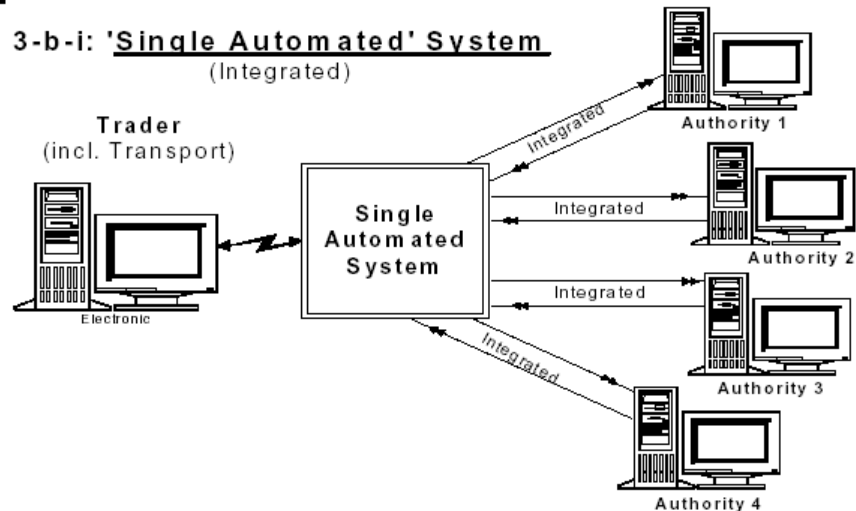
- **Single Window** - One-Stop Service G2B & B2B Portal for Trade & Port related Procedures.
- **Paperless environment** – maximising the use of electronic documents / electronic data interchange (EDI)
- **E-Commerce Platform** for electronic trade and modern working methods - Guidelines , Legal provisions
- **Harmonisation & Simplification** of existing practices & procedures – alignment to International and regional conventions
- **Data Collection** of accurate management and statistical information in order to make better business decisions
- **Risk management & Profiling** to reduce fraud
- **Zone Trade Community**
 - Green Lane / Super Green Lane
 - Electronic Funds Transfer / Collection for Customs

UN/CEFACT Recom 33 – Single Electronic Window (SEW)

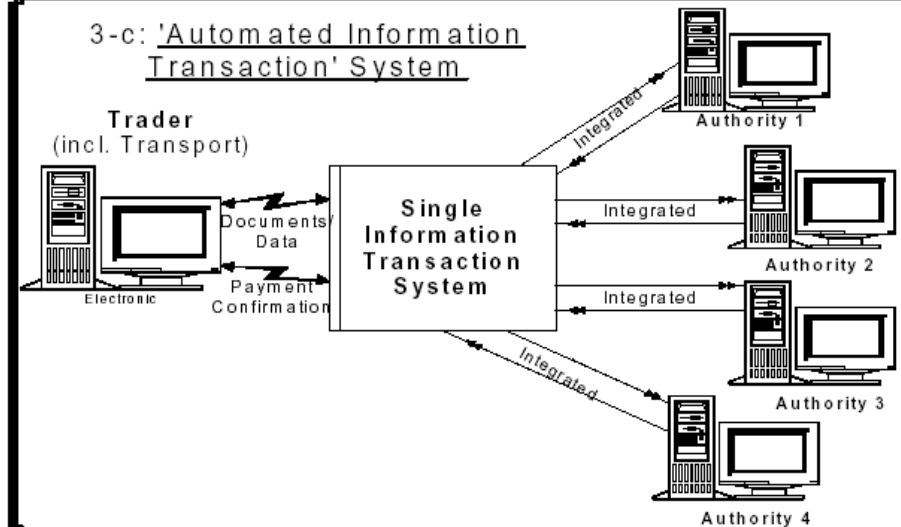
3-a: 'Single Authority'



3-b-i: 'Single Automated' System
(Integrated)



3-c: 'Automated Information Transaction' System



- The National SW as Key Project for eCommerce B2G2G transactions
- Identify a Agency as lead Govt agency in:
 - Role model for B2G transactions (eGov)
 - Role model for G2G interaction (iGov)
 - Centre of excellence for risk management
 - Usually the Customs Authority or Ministry of Finance or Ministry of Commerce are candidates as the lead Govt agency



What are the Costs Involved

Design & Dev'ment Costs

- Typically > 10 M
- Funded by Govt
- Loans or Grants from Int'l Orgs

Cost increases if ...

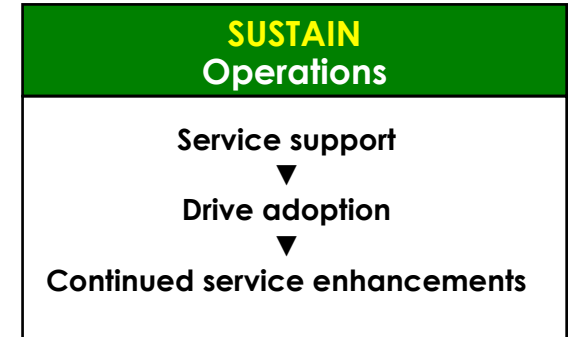
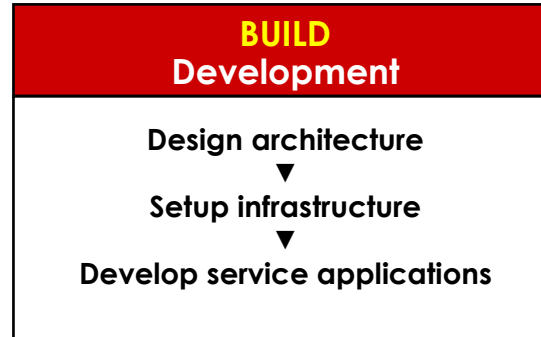
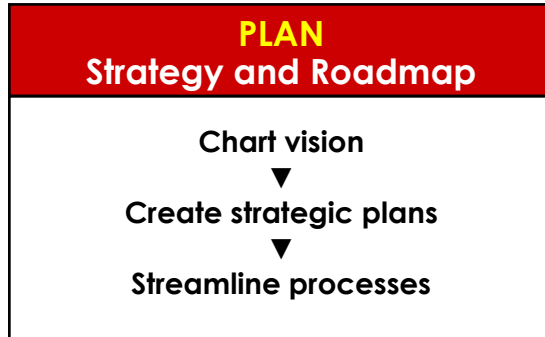
- SW (to Customs)
- SW (Customs & 20+ OGAs)
- SW + Customs Mgt Backend

Time to implementation

- 2 years ?

Operating Costs

- Typically range of 20% of D&D cost
- Need a Valued Added Network (VAN) Company
- Operate, Support & Maintenance of SW assets
- Continual support for Infra, Network, Systems Software, Security, Training
- Drives Change Mgt, Adoption & Training
- Servicing to Trading Community; Customs, OGAs
- Min. 40 to 50 staff initially



SINGLE WINDOW SERVICES

Services 1	Services 2	Services 3	Services 4	Services 5
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CHANGE MANAGEMENT & ADOPTION

Communication Campaigns	Customer Relationship Management			
	Call Center	Training	Technical Support	Service Bureau

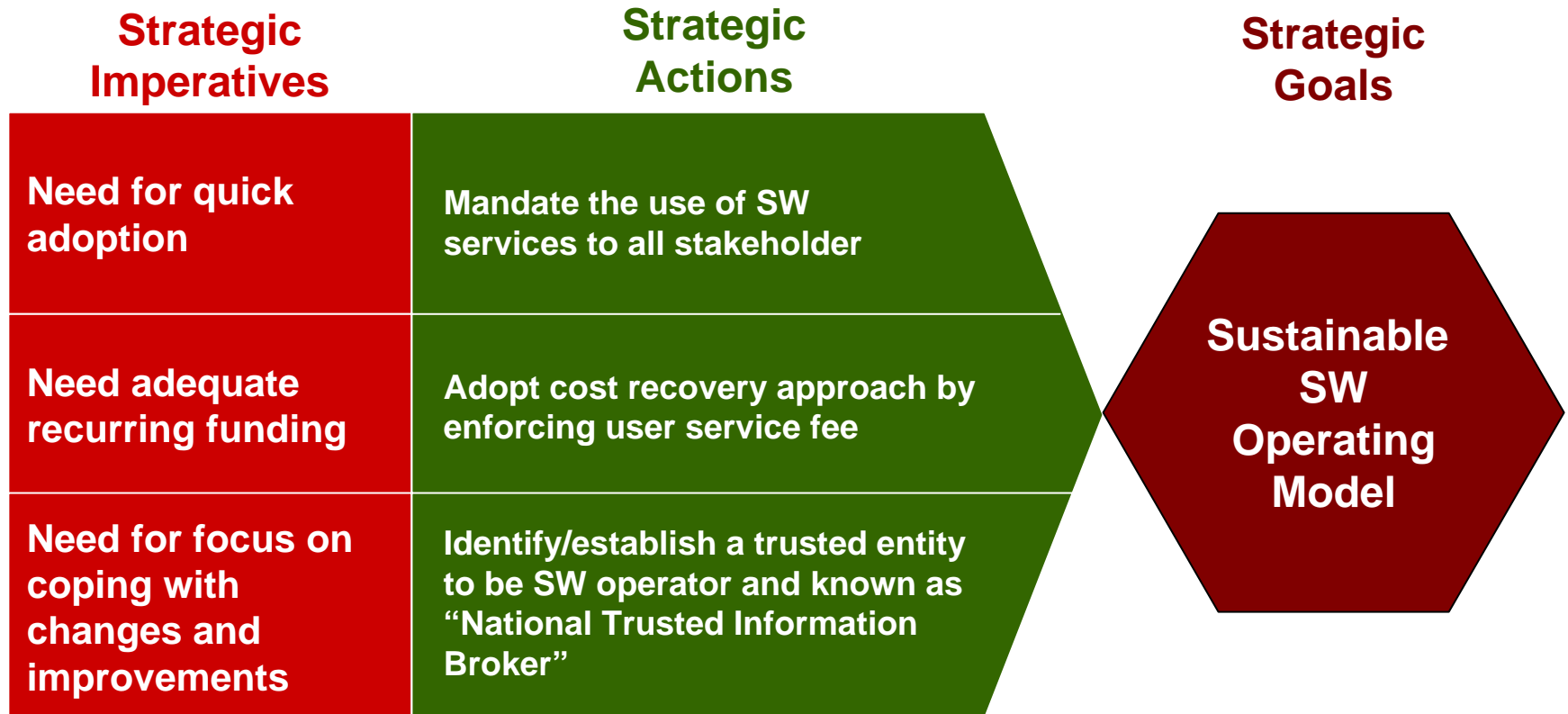
SERVICE-ORIENTED ARCHITECTURE

COMMON SINGLE WINDOW COMPONENTS

E-payment	Billing System	Document Hub	Portal Framework	Message Hub
Business Process Integrator	Customer Service Support	Authentication and Authorizations	Optical Doc Security	Customer Management

SCALABLE TECHNICAL INFRASTRUCTURE

Data Centre	Firewalls	Facility Management
Database	Servers	Network



Many countries create a Value Added Network (VAN)



Single Window Operations

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A. SW Application system

- Maintenance and support for Application and Network Infrastructure (Level 2 & 3)
- Hosting and data centre operation
- Disaster recovery Services
- IT security management
- Quality management

B. Service support

- 24/7 Call centre (Level 1) to all users
- Provision of service centre services (manual transaction)

C. Capacity development, training and eService Adoption

- Train the trainer - Customs and Other government Agencies (OGAs)
- Training programme
- Mass training approach - trading community

D. General Management and Governance

- Vendor Management
- Audit
- Quality of Service Management (QoS)

1. **Public Administration Services** which will be use by Customs and Other Government Agencies to administer the trade procedure and regulations. For example, the processing and approval of trader registration, customs declaration, cargo manifest, and many others
2. **SW Services** is applicable to services consumed by the business trading community. **SW Services** can further be separated into **Regulatory Services** and **Value-Added Services**.
 - **Regulatory Services** are mandatory service are governed by public regulatory frameworks normally enacted in the administrative law. For example, the filing of customs declaration, import permits and etc.
 - **Value-Added Service** are services that do not fall under the regulatory framework and should be introduced and used on a voluntary basis

Type of eTrade Services	User(s)	Mandatory (Yes/No)	Chargeable (Yes/No)
Trading Account Activation	Diplomat	Y	N
	Government	Y	N
	Importer	Y	Y
	Exporter	Y	Y
	Customs Clearing Agent	Y	Y
	Shipping Agent	Y	N
Pre-Arrival Cargo Information	Land Carrier	Y	N
	Air Carrier	Y	N
	Shipping Agent	Y	N
Port Discharge List	Shipping Agent	Y	N
Cargo Manifest	Shipping Agent	Y	N
	Air Cargo Handler	Y	N
	Land Carrier	Y	N
Cargo Location Information	Shipping Agent	N	Y
	Air Cargo Handler	N	Y
Customs Clearing Agent Authorisation (for Electronic Declaration Submission and Temporary Import Application)	Diplomat	Y	N
	Government	Y	N
	Importer	Y	Y
	Exporter	Y	Y
Customs Declaration	Customs Clearing Agent	Y	Y
Appeal Application	Importer	Y	N
	Exporter	Y	N
e-Payment	Customs Clearing Agent	Y	N
	Importer	Y	N
	Exporter	Y	N
Refund Application	Importer	Y	Y
	Exporter	Y	Y
AEO Application	Importer	Y	Y
OGA Permit Application	Customs Clearing Agent	Y	Y
Temporary Import Application	Customs Clearing Agent	Y	Y
Passenger Cargo Customs Declaration	Passenger	Y	Y

Revenue Projection Assumptions

- Government mandate the use and fee of regulatory services
- Subscription excludes government and diplomat users
- Yr 1 is the first year when system is commissioned to user
- Exclude revenue from change and service request
- OGA transactions is not included

Example of Projected Growth

B2G eServices	Revenue Breakdown by %	Expected High Growth Area
Declaration	61.43%	
Import Manifest	22.74%	
Temporary Import Permit	0.09%	✓
Transit Approval	0.01%	✓
Passenger Cargo Declaration	5.52%	
Service Bureau Surcharge	10.22%	

Type of SW Charges for Operation

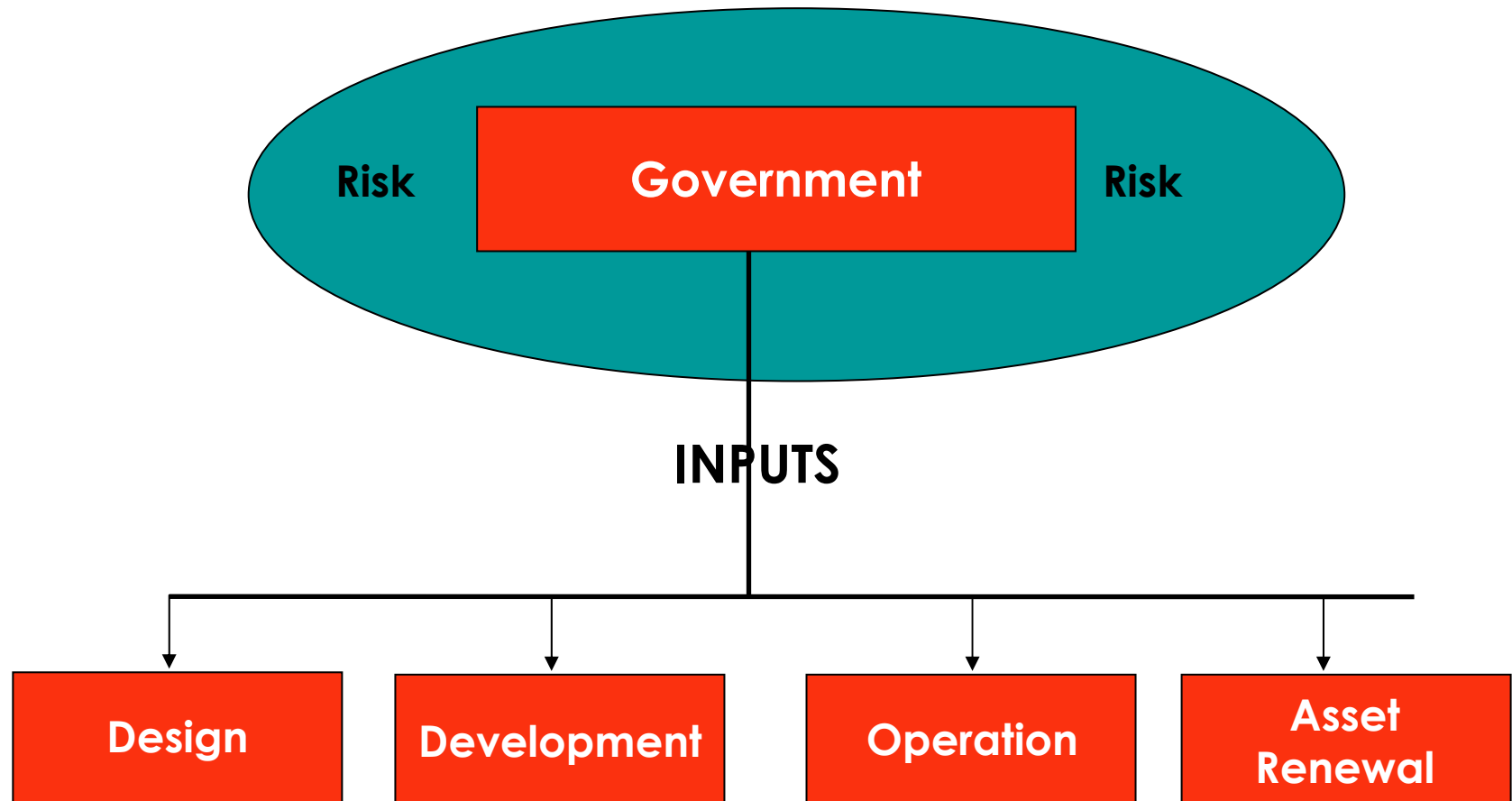
- Registration and Subscription Fee
- Transaction Fee
- Service Fee – change request, service request, professional services and etc
- Service center surcharge



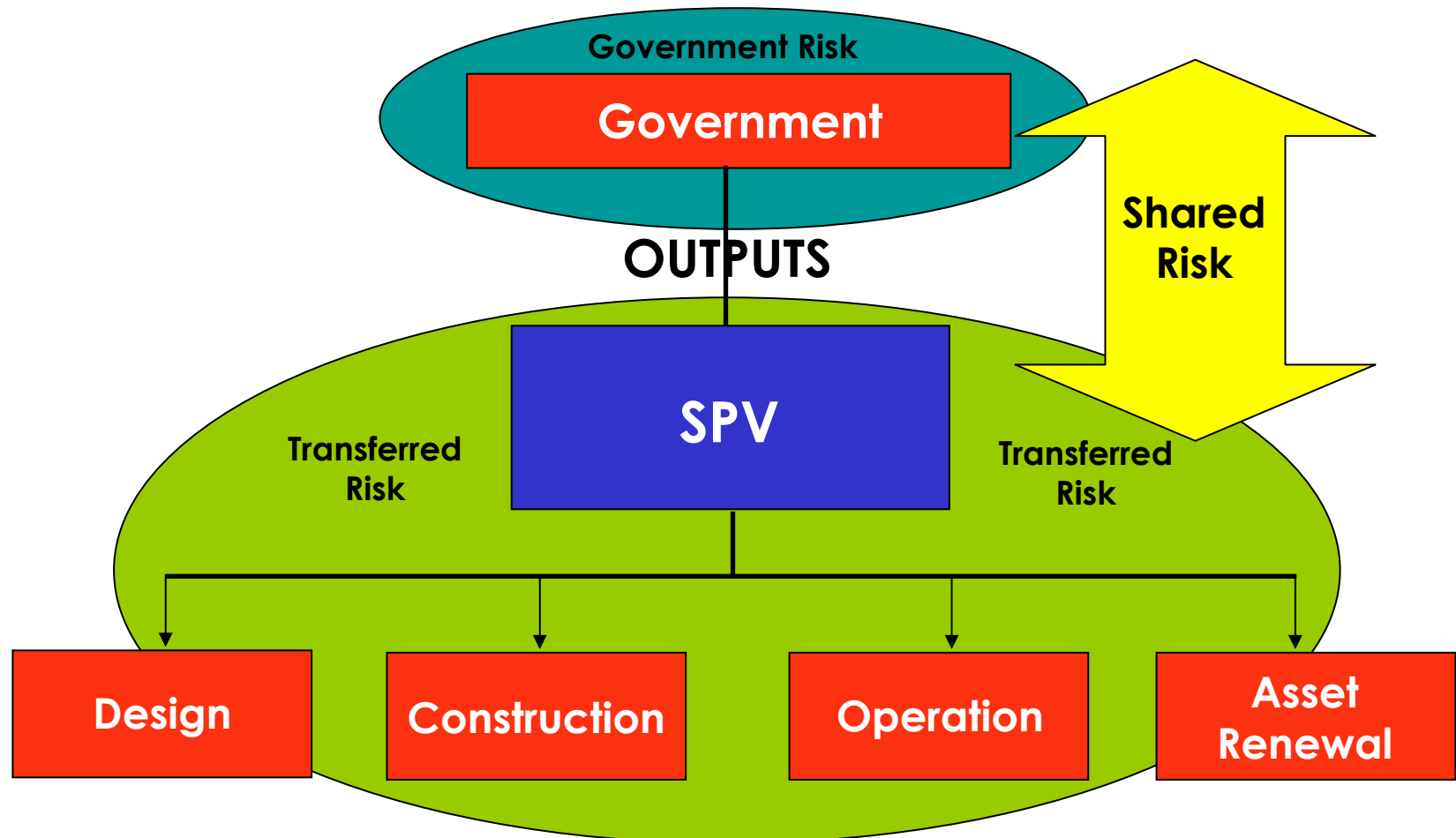
Partnership between governments and private companies in developing and implementing services on a risk- and investment-**sharing** basis

PPP – Managing & Transferring Risk

Risk Allocation – Traditional Procurement Model



Risk Allocation – Typical PPP Model



- Objective:

RISK TAKEN BY PARTY BEST PLACED TO MANAGE IT

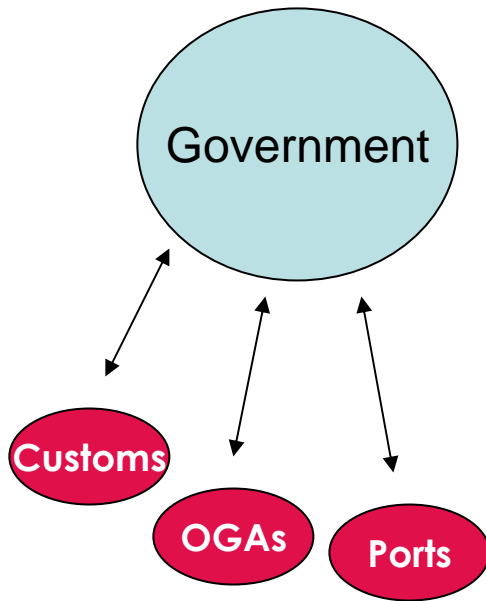
- Optimal risk transfer will enhance Vfm
- Excessive risk transfer – cost increase, and unbankable in extremes



Structuring the PPP – Establishing a “Special Purpose Vehicle”

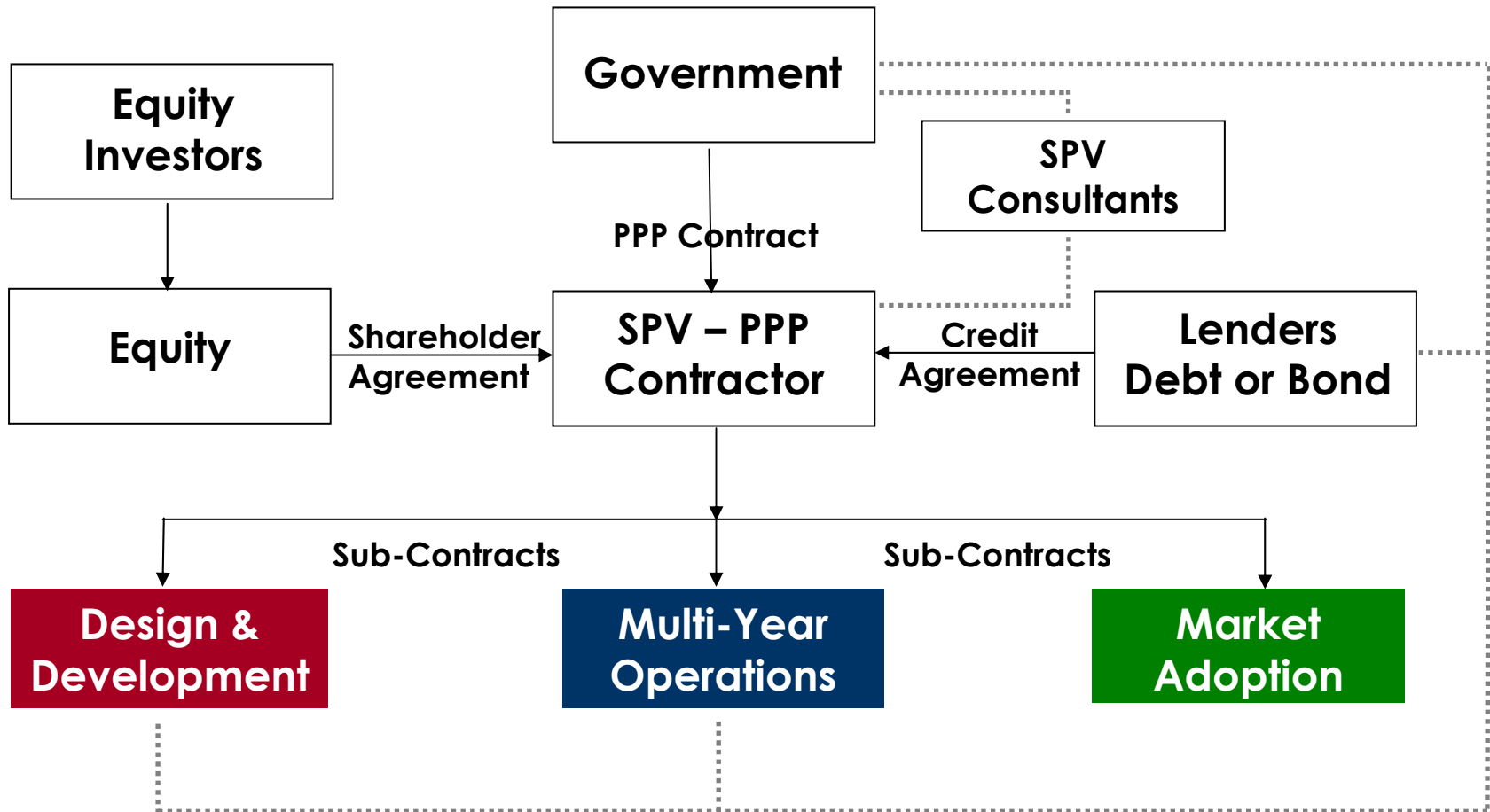
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Contractual Arrangement for SW Operations



- Appoint "Special Purpose Vehicle" (SPV) as National Information Trusted Broker and award the concession to collect user service fee for a minimum period of 5 years
- Signed with Customs who will represent OGA
- Sharing IP ownership with SPV
- Allow SPV to introduce value-added services

Structuring a PPP Contract – Typical Special Purpose Vehicle (SPV) Structure



Government Owned SPV

- Singapore - CrimsonLogic
- Taiwan – TradeVAN
- Korea – KNet
- Japan - NACCS

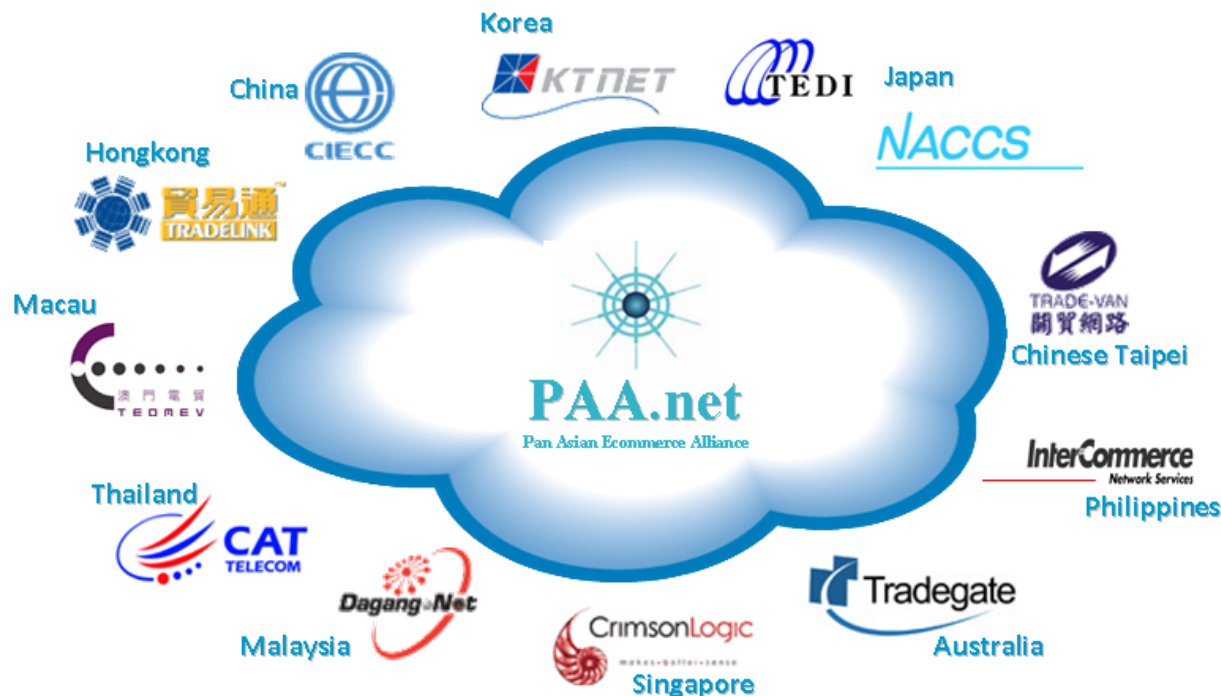


Public or Public-Private SPVs

- Hong Kong – TradeLink
- Ghana - GCNet
- Mauritius – MNS
- Madagascar - GasyNet



Pan Asian eCommerce Alliance

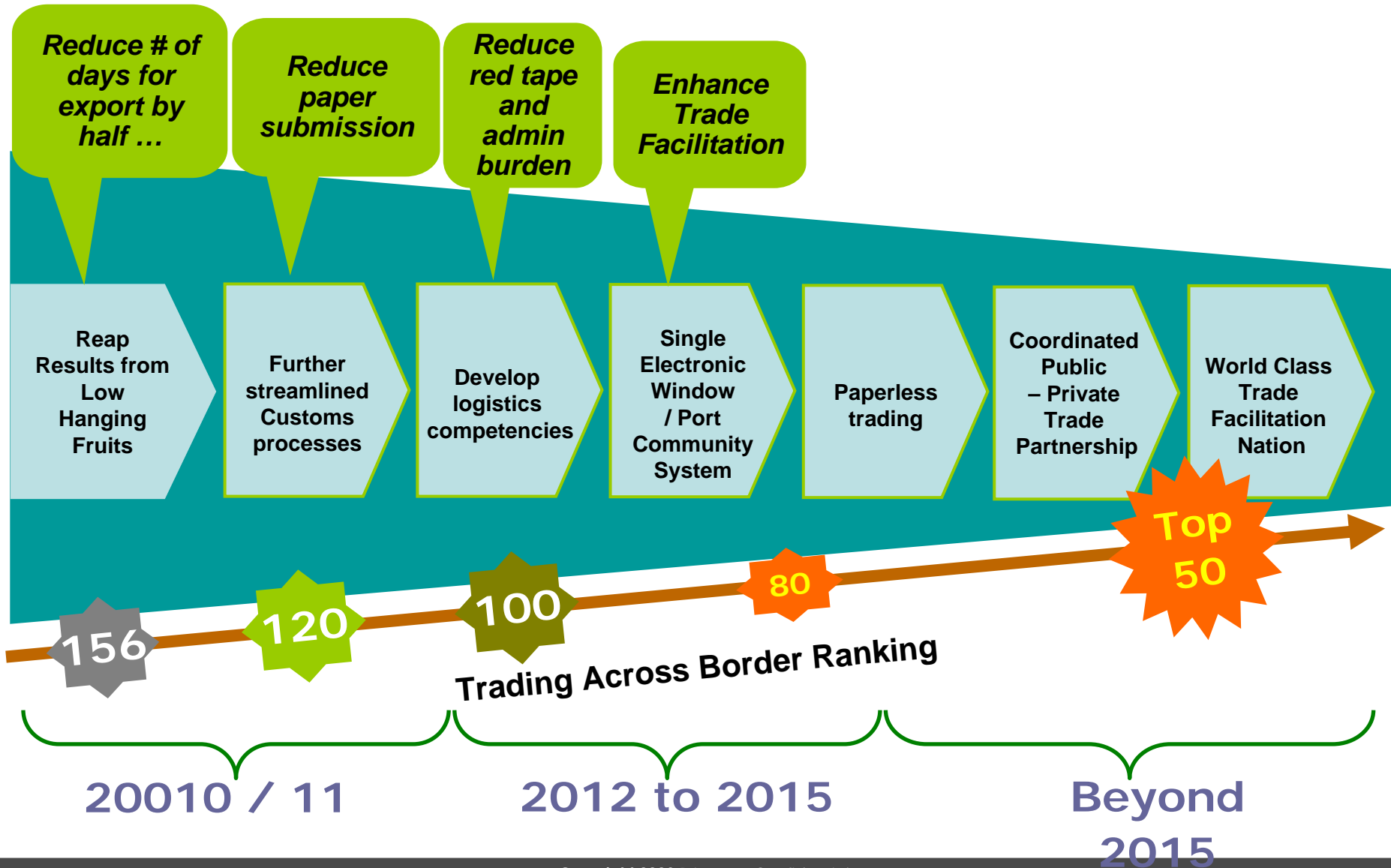


1. PAA members are local market leaders in e-commerce
2. Strong & close relationship with local government
3. Mass customer base
4. Long years of experiences on electronic document exchange
5. Cross border document exchange can go through PAA network and be input into domestic government system

Mongolia Single Window - Suggestions for the Way Forward



The Roadmap for Excellence

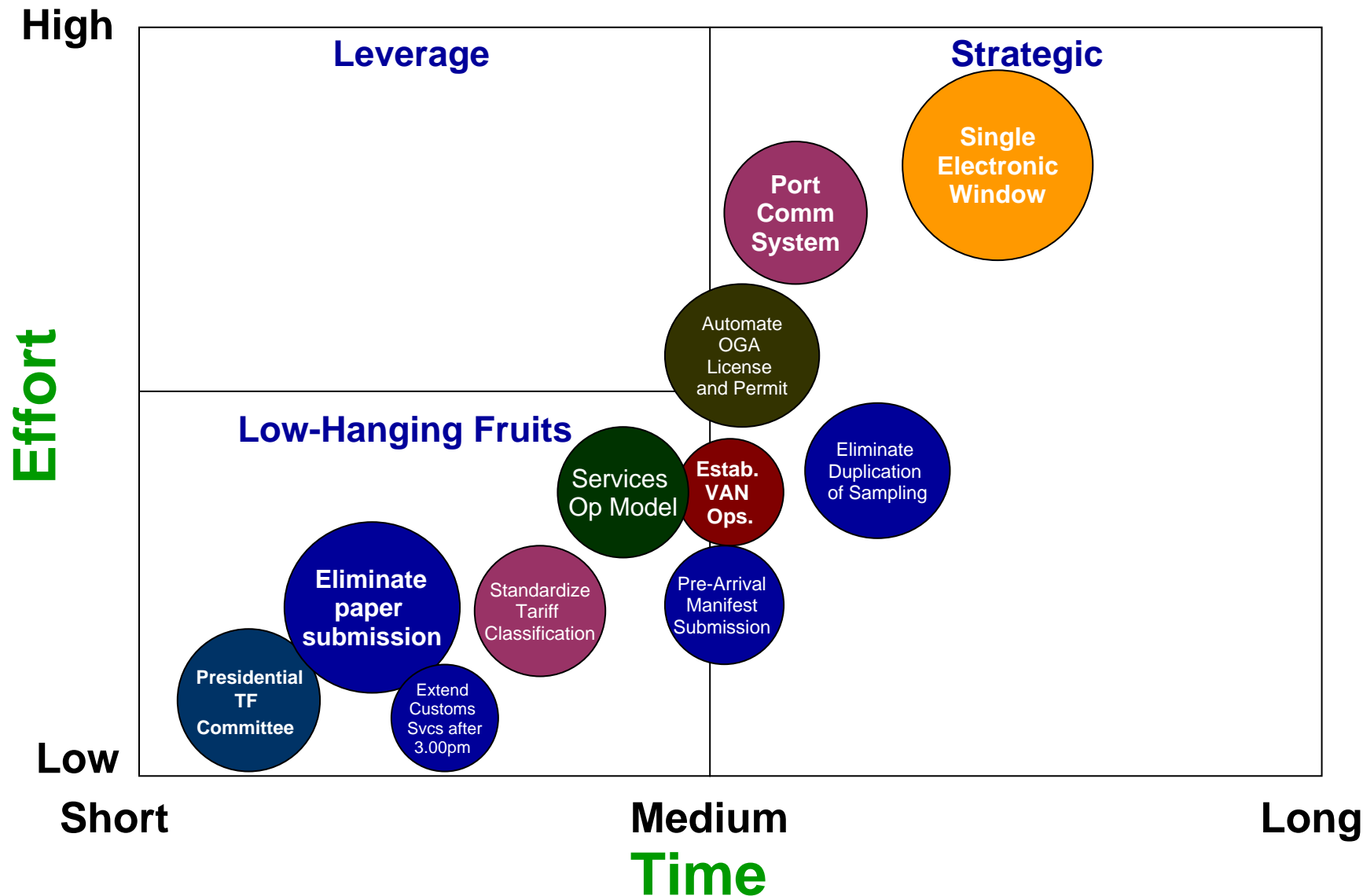


Masterplanning - Recommendations

Example of Recommendations:

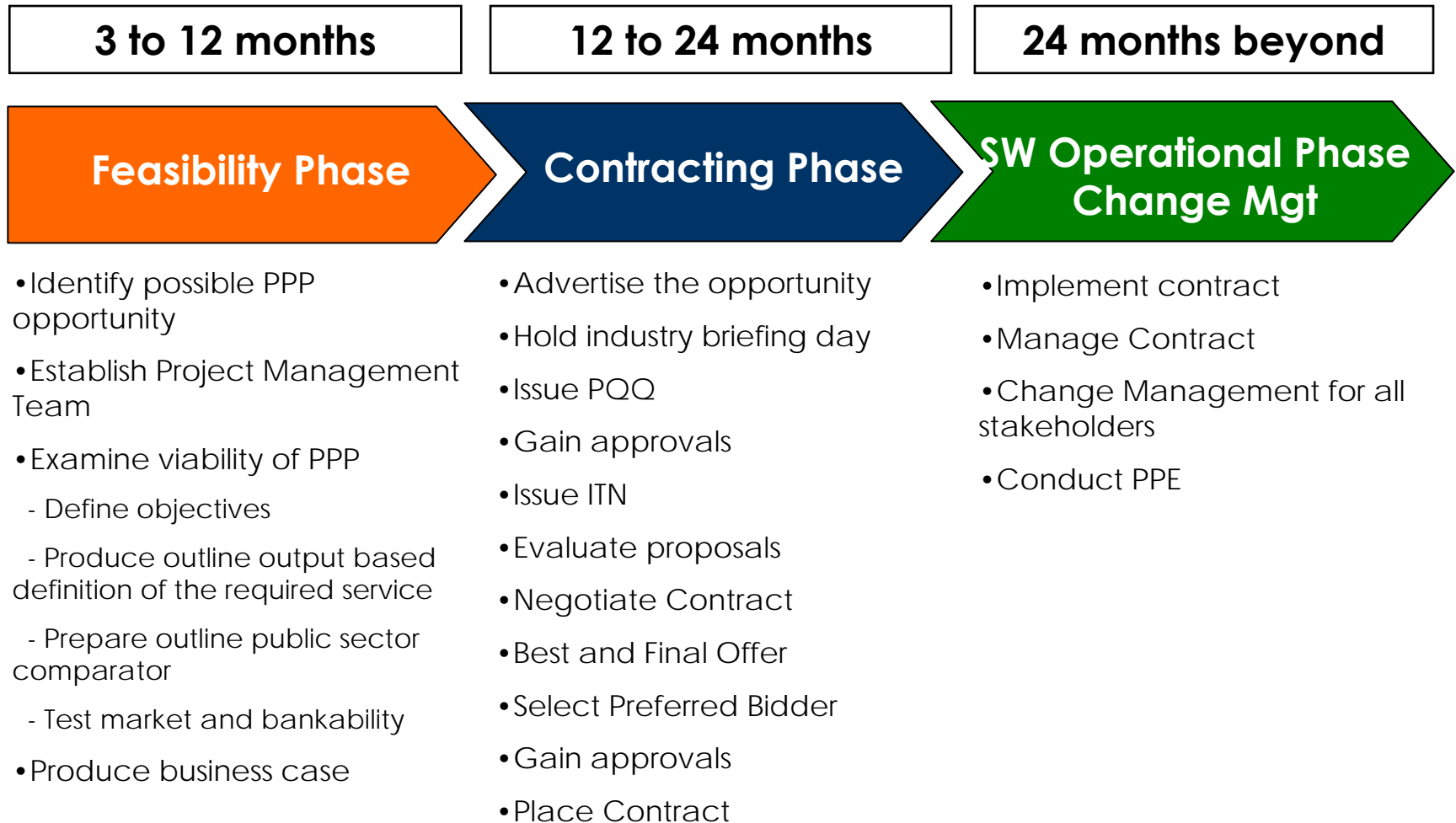
No.	Recommendation	Time Frame	Degree of Impact	Investment (USD) million	Effort
1	Establish at the highest level a Presidential Commission Government-Business Trade Facilitation Committee	Short-Term	5	0.20	Low
2	Eliminate paper submission & Establish 100% Online submission of CUSDEC	Short-Term	5	1.50	Medium
3	Extend Entry Receiving Beyond 3.00pm to Facilitate Customs Declaration	Short-Term	3	0.50	Low
4	Standardisation of Tariff Classification	Short-Term	3	0.20	Low
5	To Provide all Customs-Related Information Readily Available to Interest Parties	Medium-Term	3	0.20	Low
6	Establish Pre-Arrival Manifest Submission	Medium-Term	3	0.30	Medium
7	To Review the Licensing Procedures & Reduce Application on consignment basis	Medium-Term	4	-	Medium
8	Conduct Study for a Public-Private Partnership Model for Trade Facilitation System	Medium-Term	3	0.23	Medium
9	Online Application and Approval of OGA License and Permit	Medium-Term	4	2.50	High
10	Establish Port Community System	Medium-Term	5	4.00	Medium
11	Eliminate Duplication of Sampling by Customs & OGAs	Long-Term	3	1.00	High
12	Establishment of a National Value-Added Network Framework	Long-Term	5	5.00	High
13	Implementation of Single Electronic Window	Long-Term	5	10.00	High
				25.63	

Notes: Degree of Impact (1 - Lowest ----- 5 - Highest)

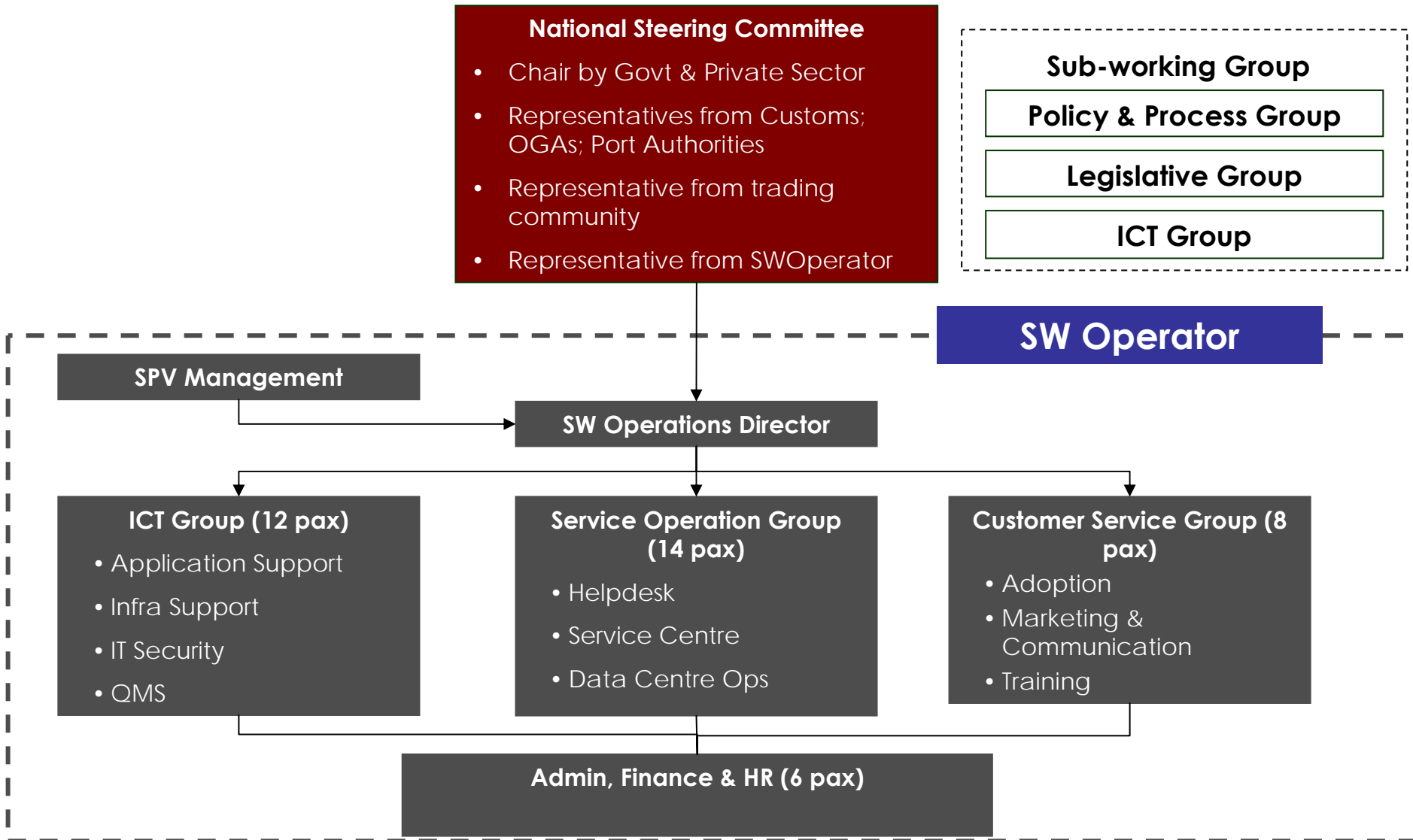


The PPP Process for Single Window Implementation

PPP – SPV Engagement



SW Operation Structure – Initial Start-up



Successful delivery of PPPs for Single Window

- Critical Success Factors include:
 - Coordinated, realistic, efficient approach to procurement
 - Commitment from politicians, civil servants and the private sector
 - Public sector realism for what the private sector can deliver
 - Private sector empathy for what the public sector is seeking
 - Legal framework consistent with procurement and project needs

NEW SKILLS NEEDED BY PUBLIC AND PRIVATE SECTORS

The hard facts of today's world

A Balancing Act

- National Single Window are complex projects
- Offerings have to be right-sized based on experience



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