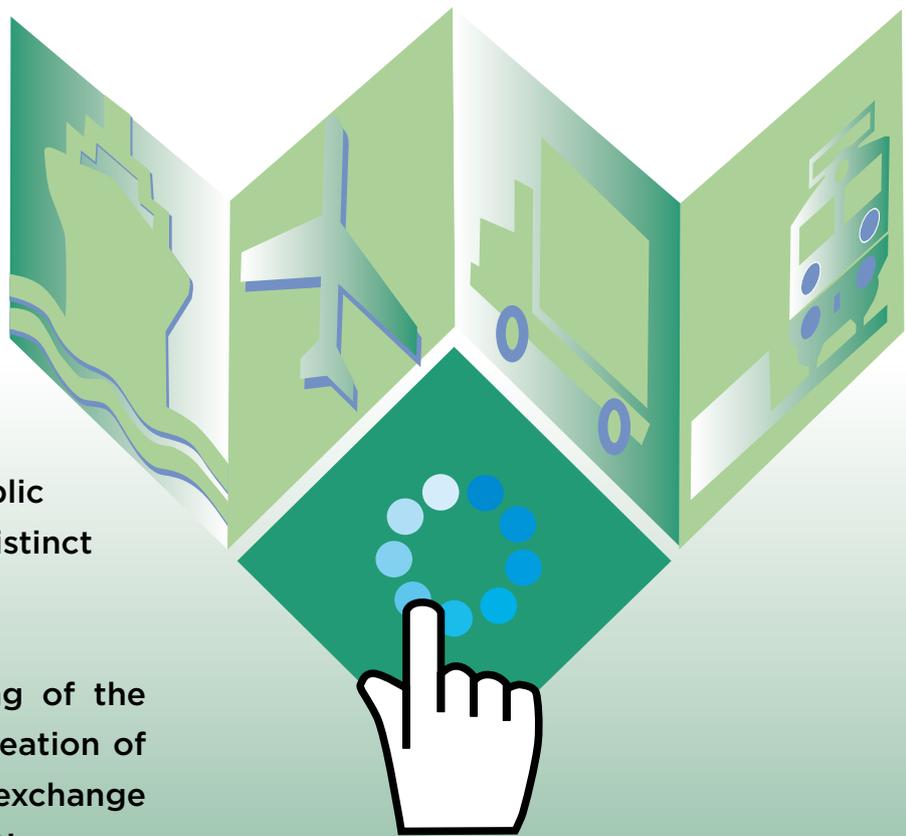


TOWARDS A SINGLE WINDOW TRADING ENVIRONMENT

Achieving Effective Stakeholder Coordination

Successful Single Window implementation calls for fulfilling some key preconditions. Critical among them is effective coordination of stakeholders. The cross-agency nature of the Single Window implementation that requires extensive engagement of stakeholders from both public and private sectors can pose a distinct challenge.



Despite the common understanding of the benefits of a Single Window, the creation of a single entry point for submission, exchange and distribution of trade information may

be viewed by some stakeholders as a potential threat to their control and authority over trade processes. Such a perception may lead to mistrust and animosity among stakeholders, possibly leading to the inefficiency in Single Window operation or, in the worst case, impasse in the process of establishing a Single Window facility.

Based on the experience and lessons from various countries in the region and beyond, this Brief provides a practical guide on how to ensure coordination and collaboration among the many stakeholders involved in the implementation of a Single Window.

Why is Stakeholder Coordination Critical in Single Window Implementation?

The heightened interest in implementing Single Window systems in the region in recent years shows that traders and government agencies find Single Window an effective solution to minimize time and cost involved in international trade. A Single Window is, in essence, an approach to efficiently coordinate processing of data and information needed to meet trade-related regulatory requirements with a single entry point for traders.

Despite efforts by many countries however, only a handful of countries have managed to successfully implement and operate Single Window systems in the region. As highlighted in the UNNEXt Brief No. 1,¹ there are several key prerequisites for successful Single Window implementation. Effective coordination among stakeholders, both public and private sectors, comes at the top of the list.

Cooperation among relevant government agencies is critical as they provide various regulatory services in a Single Window environment. While centralizing, trade information flow is expected to improve trade efficiency. Those government agencies regulating international trade may perceive it as a threat to their mission and control functions. Such a perception can lead to strong resistance to cooperation. Unless

all relevant government agencies join the initiative, Single Window implementation cannot serve its purpose since traders would still have multiple entities to deal with.

Traders are also pivotal since they are the ultimate users of services in the Single Window. If traders would not use the services and unwilling to pay for its up-keeping, the Single Window operation would not be sustainable. By involving traders from the planning process and making them key stakeholders, their requirements are better integrated into the Single Window solution, which greatly increases its market acceptance.

Both government agencies and traders should be counted as important stakeholders in establishing the Single Window. Paying attention to establishing effective coordination mechanisms at early stages of Single Window would payoff in terms of trust, two-way communication, ownership and ultimately genuine collaboration among all stakeholders.

To-do's in Successful Stakeholder Coordination

While stakeholder coordination in Single Window (SW) implementation may require different approaches depending on country circumstances, there are common critical factors, or to-do's, that should be taken into account. This Brief elaborates on 6 such requirements: political commitment and strategic mandate, strong lead agency, stakeholder engagement, inter-agency coordination, clear scope, and proper communication channels (see Figure 1).

Figure 1. To-do's in Stakeholder Coordination for Single Window Environment



¹Available at <http://www.unescap.org/unnex/pub/brief1.pdf>

Box 1. Political Commitment for Implementing the Single Window – Case of Singapore

In Singapore, the Government's commitment to implement the Single Window (TradeNet) was made in the context of national strategic mandate at the highest level. Faced with its first recession in 1985, the Singaporean government reacted with the establishment of a high-powered Economic Committee to identify weaknesses and set strategies for improving economic competitiveness. One of the recommendations from the Economic Committee was the use of IT to improve trade competitiveness, which was reinforced by the fact that Hong Kong, China, Singapore's major shipping competitor, decided to create the TradeLink, a trade oriented EDI system, in 1986. Mr. Lee Hsien Loong, then the Minister for Trade and Industry, presently the Prime Minister, was the driving force of the TradeNet project.²

Ensure Political Commitment and Strategic Mandate

The very first in the list, political commitment plays a crucial role in initiating the SW and ensuring the project is sustainable. It is most desirable if such political commitment articulated through a strategic mandate is made at the highest possible level. (see Box 1).

In addition to the successful kick-off of the SW initiative,³ political commitment bears multiple direct and indirect implications for stakeholder co-ordination:

- Political commitment has a direct bearing on resource mobilization. Establishing and maintaining a SW demands significant amount of resources. It is usually the case that, the stronger the political commitment is, the more secure the resource mobilization can be.

to carry it out. At the same time, enabling legal environment for a SW usually requires improvement of existing legal provisions with necessary revision and/or new enactment.

- While commitment to implement a national SW usually comes from within a country, in some circumstances, it may originate from outside of national jurisdiction in the form of an international or regional agreement. Such an agreement could be an effective medium to elicit strong political commitment from within the country (see Box 2).

Appoint a Strong Lead Agency

The lead agency plays a vital role in the successful implementation of the Single Window. Pertinent features of a strong lead agency are as follows:

Box 2. Political Commitment from Regional Agreement – Case of ASEAN

The Association of Southeast Asian Nations (ASEAN) is a regional economic community composed of 10 Southeast Asian countries. The ASEAN ministers of economy made an agreement in December 2005 to establish and implement the ASEAN Single Window, which was followed by a protocol to establish and implement the ASEAN Single Window signed by ASEAN ministers of finance in December 2006. In accordance with the agreed protocol, 6 members (Brunei Darussalam, Indonesia, Malaysia, the Philippines, Singapore and Thailand) are to implement their National Single Windows (NSW) by 2008 while other 4 members (Cambodia, Lao People's Democratic Republic, Myanmar and Viet Nam) by 2012.⁴

- Political commitment is required for effective engagement of stakeholders in SW implementation. Experience shows that bringing key players, particularly powerful government agencies, may be successful only if there is political support at the top.
- Political commitment is also required for introducing legislation for SW. For example, the organization in charge of SW implementation needs to have legal authority
- 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

²UNNEX.T. "Towards a Single Window Trading Environment - Best Practice in Single Window Implementation: Case of Singapore's TradeNet", UNNEX.T Brief, No. 2, accessed from <http://www.unescap.org/unnex/pub/brief.asp> on 30 September 2010.

³For details on how to ensure initial political buy-in, please refer to UNNEX.T Brief #1 at <http://www.unescap.org/unnex/pub/brief1.pdf>

⁴ASEAN, *Facilitating Trade with the ASEAN Single Window*, ASEAN FACT SHEET, 2007/AEC/007 (13 April 2007).

- Technical and managerial capacity to handle diverse implementation issues
- Connectivity with other stakeholders, including the trading community

The Customs agency is typically viewed as a strong candidate to play the role of a lead agency, due to its inherent and substantial control over trade procedures and its close interactions with other government agencies in international trade and border control. There are several cases, such as in Thailand, Vietnam, and Indonesia, where Customs authorities played the role of lead agency in SW implementation.

Other agencies or different organizational arrangements may serve as the lead agency depending on national circumstances:

- In the case of Malaysian National Single Window, the Ministry of International Trade and Industry (MITI) is the lead agency;
- The Singapore Trade Development Board (STDB), which has been renamed as International Enterprise Singapore, was the lead agency in implementing Singapore's National Single Window - TradeNet.
- In establishing Kenya's National Single Window, Kenya Revenue Authority (KRA) and Kenya Ports Authority (KPA), have jointly played the role of lead agency as "anchor stakeholders."⁵

Regardless of who acts as the lead agency, Customs authority should be included as a key player in SW implementation for the simple reason that Customs is in control of a large portion of trade procedures and border control measures.

Keep Stakeholders Engaged

Formal institutional arrangements should be put in place 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. There are several good practices of institutional arrangements for stakeholder engagement in the region. Figure 2 illustrates how Thailand did it. UN/CEFACT Recommendation No. 4 states that "Governments establish and support national trade facilitation bodies with balanced private and public sector participation."⁶ If a functioning National Trade Facilitation Body (NTFB) already exists, it may be used to coordinate stakeholders (see box 3).

Facilitate Inter-agency Coordination

As Single Window is a mechanism to integrate services on regulatory requirements handled by various government agencies, unless convinced otherwise, some government agencies may likely perceive it as a possible threat to their authority over relevant regulatory processes in international trade, and subsequent downsizing of human resources. Such perceptions may obstruct the implementation of SW.

Having a legal mandate and high-level political commitment would definitely improve coordination. Still, having an institutional

Box 3. UN/CEFACT Rec. 4 - National Trade Facilitation Committee

"Facilitation activities must be approached in a coordinated manner to ensure that problems are not created in one part of the transaction chain by introducing solutions to another part. The needs of all parties, both private and public sectors, must be identified before solutions can be found and those best placed to explain their needs are those directly involved in the transaction chain. This requires an effective forum where private sector managers, public-sector administrators and policy makers can work together towards the effective implementation of jointly-agreed facilitation measures.

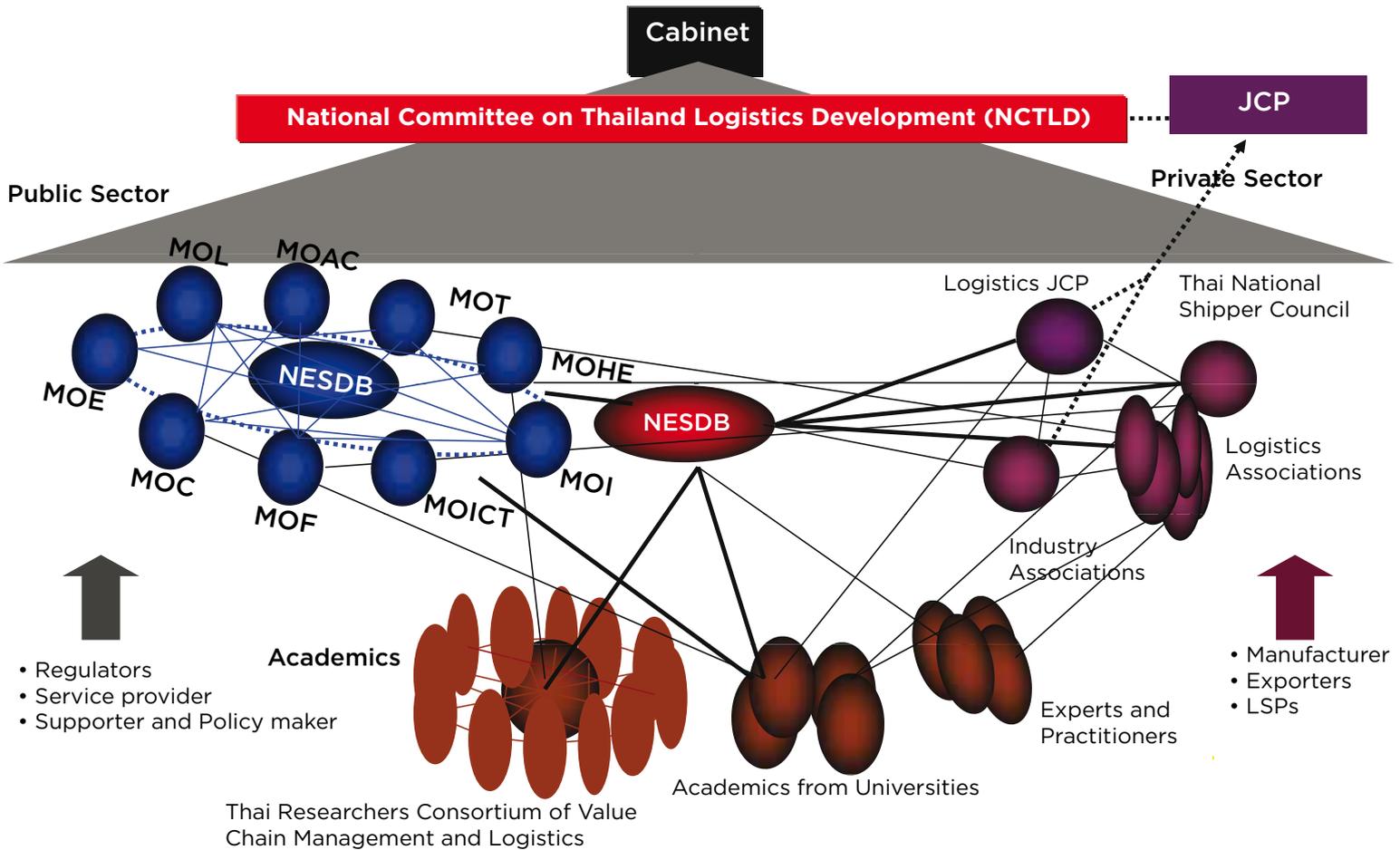
National trade facilitation bodies provide this important forum. Participants in such bodies should represent all companies and institutions that take part in international trade transactions: manufacturers, importers, exporters, freight forwarders, carriers, banks, insurance companies and public administrations, each with a joint and separate interest in the facilitation of trade. It is only with the active involvement of these participants that impediments can be analyzed meaningfully and cooperative solutions devised."

A list of National Trade Facilitation Bodies in place can be found at:
http://www.unece.org/cefact/nat_bodies.htm

⁵ Alex Kabuga and Creck Buyonge, *Effective Trade Facilitation Coordinating Mechanisms: Experience from Kenya, Country Case Study* Written for ESCAP, May 2010.

⁶ For the full text of the Recommendation, please visit http://www.unece.org/cefact/recommendations/rec04/rec04_ecetrd242e.pdf

Figure 2: Stakeholder Engagement in SW Development - How Thailand Arranged It



- Regulators
- Service provider
- Supporter and Policy maker

- Manufacturer
- Exporters
- LSPs

MOL: Ministry of Labour, **MOAC:** Ministry of Agriculture and Cooperatives, **MOHE:** Ministry of Higher Education, **MOI:** Ministry of Industry, **MOICT:** Ministry of Information Communication Technology, **MOF:** Ministry of Finance, **MOC:** Ministry of Commerce, **MOE:** Ministry of Education **JCP:** Joint Committee of Private Sector, **LSP:** Logistics Service Provider, **MOT:** Ministry of Transport

Source: Suriyon Thunkijjanukij, "Mechanisms for an Effective Inter-agency Coordination and Collaboration", paper presented at the ESCAP/UNECE National Workshop on Establishing a Single Window in Mongolia, Ulaanbaatar, 29 Sep. - 1 Oct. 2009.

arrangement for inter-agency collaboration is crucial for dealing with issues of change management. The following factors should be taken into consideration:

First, at the very beginning of SW design, an arrangement in the form of a national committee can provide a neutral platform for open dialogue. It would avoid the possible suspicion that the SW is driven by a particular agency's "agenda". The countries in the region with such practices include Republic of Korea, Indonesia, Thailand and Viet Nam. In Thailand, a committee called the National Committee on Thailand Logistics Development (NCTLD) was created as shown in Figure 2.

Second, very early-on, relevant government agencies should be made to understand that SW implementation does not necessarily mean the integration of all the trade-related regulatory services into one big system. Commonly found operational model of SW is an interfaced model

where relevant government agencies can have the regulatory services over which they have a control and maintain cooperative connectivity with a Single Window.

Set Clear Scope

The scope of Single Window implementation should be clearly defined at the outset. Otherwise, stakeholders may build different views and expectations on SW since it can easily be interpreted differently by different stakeholders. For example, a SW can be a facility covering only customs clearance or a comprehensive gateway handling all the trade processes, depending on how it is designed and implemented.

If stakeholders find the Single Window being implemented differently from what they expected, the chances are higher for them to be reluctant to adopt and use it. Making stakeholders fully aware of the scope from the early stage,

using proper communication channels, can help reducing this risk. One way to increase their early awareness is to set a scope with the participation of as many possible stakeholders.

Implementing a SW system requires a careful planning exercise in the form of a master plan. Setting a clear implementation scope is at the core of Single Window master planning. Only after agreeing upon the implementation scope, a master plan can properly elaborate feasible implementation details such as steps, timelines, and division of labour among the participating agencies. Implementation details, defined on the basis of clear scope, also help preventing the implementation from getting astray in midway.

In setting the scope, UN/CEFACT recommends it to “be based on a careful analysis of the needs, aspirations and resources of the key stakeholders, and also on the existing infrastructure and current approaches to the submission of trade-related information to government.”⁷ For example, Singapore used a phased approach in the successful implementation of its national Single Window, TradeNet.⁸ Similarly Malaysia started with the implementation of a port community system and moved on to the development of the SW.

Build Proper Communication Channel

A two-way communication channel needs to be established and maintained all through the planning, design and implementation of the Single Window. A robust communication channel, that keeps all stakeholders in the loop, will not only prevent misunderstanding but also promote the ownership of the SW project.

In the planning and design stage, proper communication leads to accurate collection and integration of stakeholders’ needs and requirements. In development stage, regular communication provides timely update to the stakeholders on progress made, and any changes to the plan. The trust and understanding built over consistent communication will facilitate adoption and use by the stakeholders in the operation stage of the SW.

In addition, having a proper communication channel and making the stakeholders regularly updated will greatly help them to prepare for change management. Implementing a SW may require stakeholders to make changes in the way they practice their businesses. By being

continuously informed, the stakeholders can expect how and what change should be made and better prepare themselves for such change.

The commonly used communication channel among primary stakeholders is as simple as having regular meetings. Briefing sessions, public seminars and conferences, public hearings and mass media can be used for general public and a broader group of stakeholders. Electronic means such as website, e-newsletter, group email list, etc. are also frequently used. In Kenya, the communication strategy included creating newsworthy events to publicize the implementation as well as launching public relation activities with the emphasis on its economic benefits.⁹ In Malaysia, success stories, awareness programs, annual user surveys and dialogues were employed.¹⁰

Stakeholder Coordination in Action

Stakeholder coordination is a demanding and time consuming task for any project, but more so for the implementation of a Single Window which involves a large number of agencies and stakeholders. Most good practice examples demonstrate that the stakeholder coordination is a key to the success of SW. The case of Republic of Korea is no exception.

Figure 3 illustrates how Korea made SW implementation a reality with efficient institutional arrangements for stakeholder coordination. In 2003, the Korean government established the “National e-Trade Committee” for implementing a Single Window, with a direct mandate from the Prime Minister. The Prime Minister himself became the chair of the Committee and enforced the participation of ministers from relevant ministries and invited top management of industry federations and associations as members.¹¹ Later in 2005, the Korean government strengthened the mandate of the National E-Trade Committee by passing the Electronic Trade Facilitation Act.

The multi-ministry Administrative Committee was created to coordinate all relevant government agencies. Specialized working groups were formed to determine the scope and objectives of the SW. To engage the private sector, Private e-Trade Committee as a counterpart of the National e-Trade Committee was created.

⁷ UN/CEFACT (2005), *Recommendation and Guidelines on Establishing a Single Window, Recommendation 33*, UNECE, Geneva <http://www.unecf.org/cefact/recommendations/rec33/rec33_trd352e.pdf>.

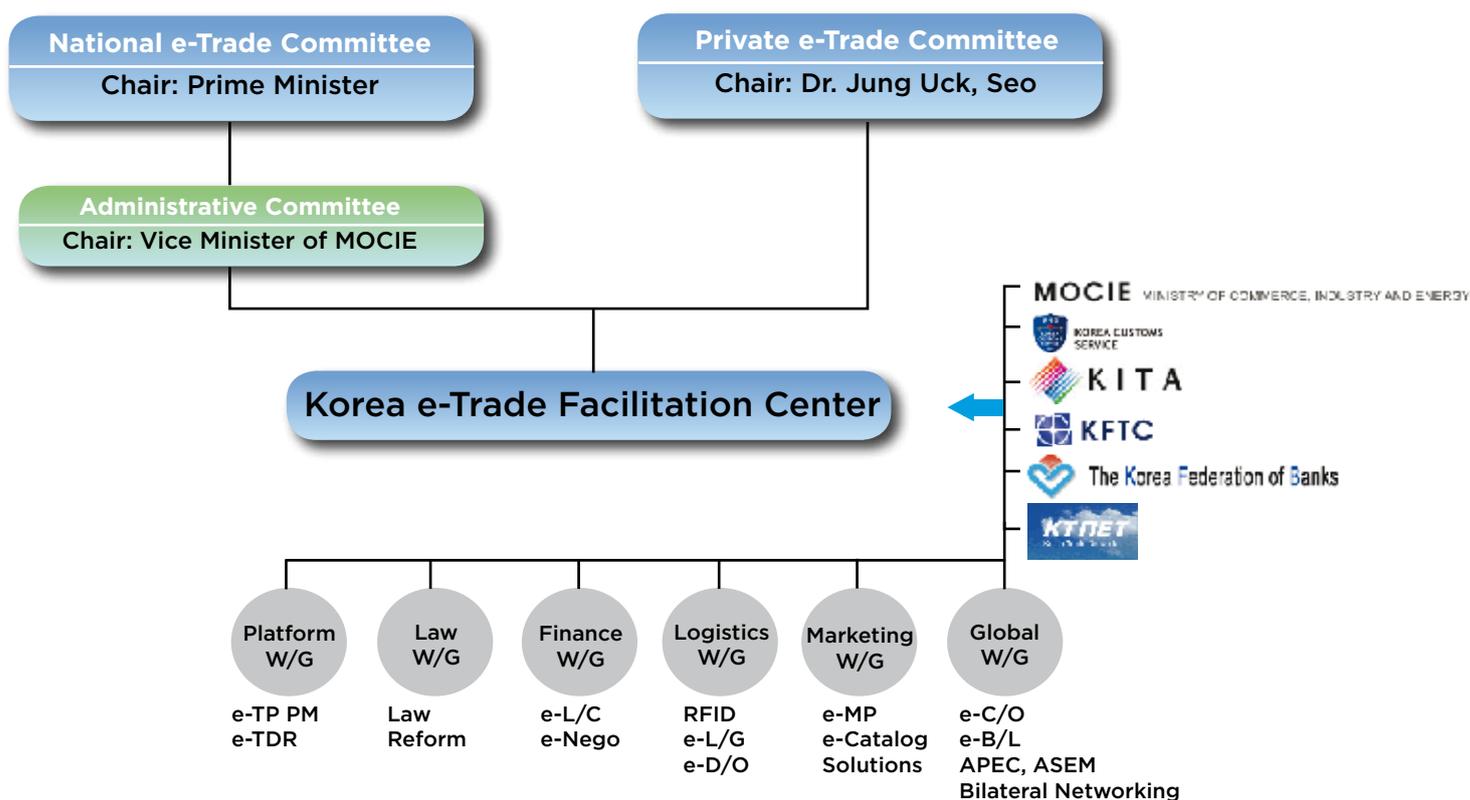
⁸ UNNEXt. “Towards a Single Window Trading Environment - Best Practice in Single Window Implementation: Case of Singapore’s TradeNet”, UNNEXt Brief, No. 2, accessed from <http://www.unescap.org/unnex/publications/brief.asp> on 30 September 2010.

⁹ Alex Kabuga and Creck Buyonge, *Effective Trade Facilitation Coordinating Mechanisms: Experience from Kenya*, ESCAP Single Window Case Study, March 2010.

¹⁰ Yong Voon Choon. “Malaysia”, *Single Window Repository*, accessed from http://www.unecf.org/cefact/single_window/sw_cases/Download/Malaysia.pdf on 30 September 2010

¹¹ In the arrangement, more than 10 relevant ministries as well as 4 major business associations/federations representing almost all enterprises in Korea were engaged.

Figure 3. Institutional Arrangement for SW Implementation in the Republic of Korea¹²



Dr. Jung Uck, Seo: Former Minister of Science & Technology and Chairman of Korea e-Business Association
 MOCIE: Ministry of Commerce, Industry and Energy, KITA: Korea International Trade Association
 KFTC: Korea Financial Telecommunications and Clearings Institute, W/G: Working Group
 e-TP PM: e-Trade Portal Project management, e-TDR: e-Trade Document Repository,
 e-L/C: e-Letter of Credit, e-Nego: e-Negotiation, e-LG: e-Letter of Guarantee,
 e-D/O: e-Delivery Order, e-MP: e-Market Place, e-C/O: e-Certificate of Origin, e-B/L: e-Bill of Lading

Building a consensus on a common goal among diverse stakeholders was an early challenge within the specialized working groups. Because of differences in their backgrounds, the members in the working groups had different levels of knowledge and experience on SW implementation. The Korea e-Trade Facilitation Center was established specifically to address this issue. It held series of training workshops for working group levels at early stages of SW development to facilitate communication and to reach the same level of understanding on the mission, scope and action plans for the SW. After more discussions and debates through training and workshops, the Center was able to bring out the detailed action plans for

successful implementation of the “3 year e-Trade Facilitation Plan” approved by the National e-Trade Committee in 2007.

In conclusion, the most appropriate approach for stakeholder coordination in SW depends on domestic political and business environment. The successful stakeholder coordination in SW would benefit from most, if not all, of the to-do’s elaborated in this Brief. Throughout the whole process of SW implementation from the very beginning to the end, proper attention must be paid to stakeholder coordination—the success of the Single Window implementation may depend on it.

¹² Hee-Chul Jung. “Republic of Korea”, Single Window Repository, accessed from http://www.unec.org/cefact/single_window/sw_cases/Download/RepublicofKorea.pdf on 31 May 2010.



This Brief has been prepared by Sangwon Lim and Shamika Sirimanne of the Trade Facilitation Section of ESCAP. Authors are grateful for insightful inputs and comments from Yann Duval and Sung Heun Ha of ESCAP; Tom Butterly and Markus Pikart of UNECE; and Somnuk Keretho and Thayanan Phuaphanthong of the Institute for Information Technology Innovation, Kasetsart University.

We welcome your feedback as well as expressions of interest in our work on trade facilitation. For further information, please write to Shamika Sirimanne, Chief, Trade Facilitation Section, ESCAP.

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