

# GOVERNING INTEROPERABILITY

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Interconnection between Single Windows and  
other Existing Systems: opportunities and challenges

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# About the UN Centre for Trade Facilitation and E-business (UN/CEFACT)

- Supports business, trade and administrations globally, focused on facilitating transactions through the simplification and harmonization of processes, procedures and information flows, growing global commerce.
- Recommendations developed by working groups made up of experts nominated by Head of Delegation
- Experts should register their interest via the Collaborative UN/CEFACT Environment (CUE) at: <https://www2.unece.org/cefact/>

# UN/CEFACT's series of Single Window Recommendations

<b>Est.</b>	<b>No.</b>	<b>Recommendation</b>
<b>2004</b>	<b>33</b>	Single Window Recommendation
<b>2011</b>	<b>34</b>	Data Simplification and Standardization for International Trade
<b>2011</b>	<b>35</b>	Establishing a legal framework for international trade Single Window
<b>2016</b>	<b>36</b>	 <i>Interoperability of Single Window Systems</i>

# Recommendation 33: Defining the Concept

- **“A Single Window is a facility that allows parties involved in trade and transport to lodge standardized information and documents with a single entry point to fulfil all import, export, and transit-related regulatory requirements.”**
- Guidelines offer common models (single authority, single system), benefits, services, practical steps and standard tools

# Recommendation 34:

## Data Simplification

A four-stage process to achieve a national simplified and standardized dataset to meet government information requirements:

- **Capture** (prepare a national inventory)
- **Define** (data elements)
- **Analyse** (aim, context and necessity)
- **Reconcile** (align with international standards, e.g.. UNTDED2 and UN/CEFACT Recommended Code List)

# Recommendation 35:

## Legal Framework

Provides a checklist of legal issues for Single Window operators:

- a. legal basis
- b. organizational structure
- c. identification, authentication and authorization
- d. Data requests
- e. data sharing
- f. data protection
- g. data accuracy and integrity
- h. liability
- i. dispute resolution
- j. electronic archiving and audit trails
- k. intellectual property
- l. competition issues

# UN/CEFACT Recommendation 36

## Supporting Cross Border Interoperability of Trade Regulatory Single Window Systems

by looking across four areas:

1. **Business Needs** - the primary drivers and needs for Single Window Interoperability.
2. **Semantics** - type of business processes and information to be exchanged and existing semantic frameworks.
3. **Governance** - most appropriate model(s) for governance of the interoperability activity.
4. **Legislative** - regional and bilateral trading obligations.

# Other UN/CEFACT Tools

## **Simplification and Harmonisation of Trade Procedures**

- Rec.4 – National Trade Facilitation Bodies
- Rec.18 – Facilitation Measures related to International Trade Procedures

## **Trade Documents**

- Rec.1 – UN Layout Key for Trade Documents
- Rec.6 – Aligned Invoice Layout Key
- Rec.22 Layout Key for Standard Consignment Instructions

## **Codes for International Trade:**

- Rec.16 – UN/LOCODE (Code for Ports and other Locations)
- Rec.19 Codes for Modes of Transport
- Rec.20 – Codes for Units of Measurement in International Trade

## **Information Communication Technology**

- Rec.14 – Authentication of Trade Documents by means other than signature
- Rec.25 – Use of UN/EDIFACT Standard
- Rec.31 – Electronic Commerce Agreement
- Rec.32 – E-Commerce Self-Regulatory Instruments

## **Others:**

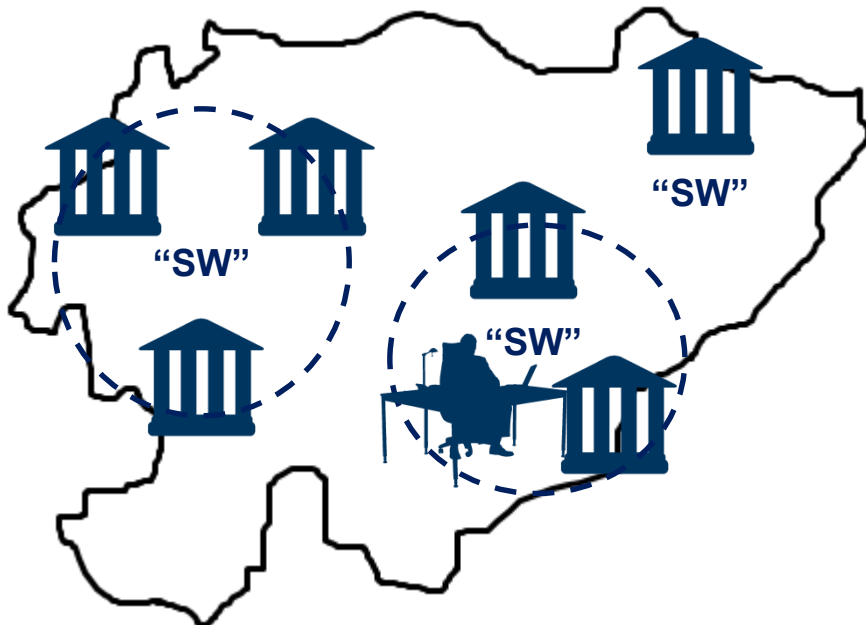
- Trade Data Element Directory (TDED, ISO 7372), UN/CEFACT Modelling Methodology (UMM)



# Drivers of the Need for Interoperability

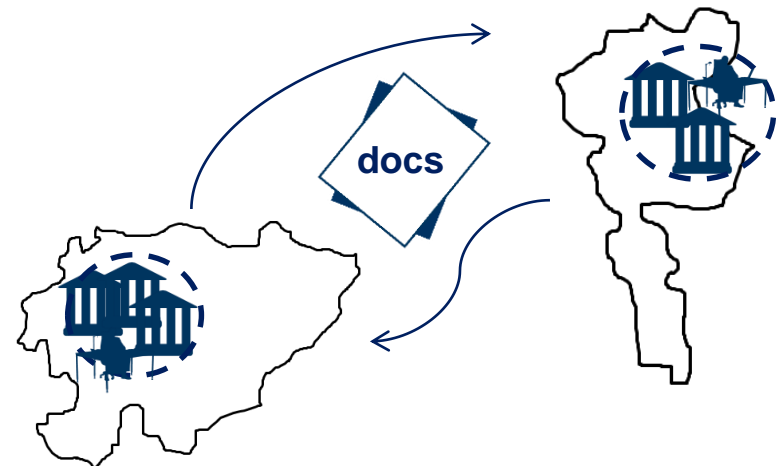
## National

- Average of **15** national agencies are involved in regulation of cross border trade.



## Cross Border

- Most documents for processing in SW are generated **across an international border.**



# National Interoperability

## Opportunities:

- >90% of Customs Goods Declarations are submitted electronically.
- Greater time spent processing in other government agencies (OGAs)
- Only a small number OGAs have electronic links with Customs Clearance (average = 3 / 15)

## Challenges:

- ICT
- Budget and human resource constraints
- Inadequate legal framework
- **Difficulties of inter-agency cooperation (governance)**

# Cross-Border Interoperability

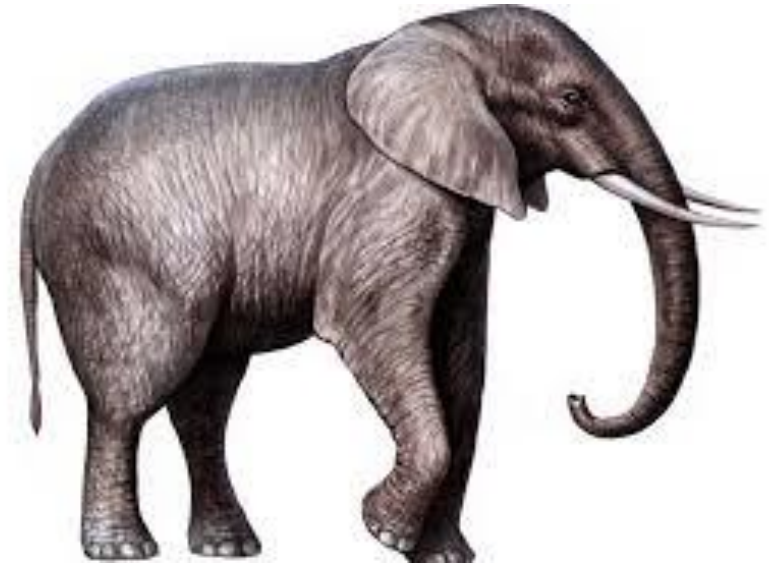
## Opportunities:

- One country's export declaration is another's import declaration (SAD).
- Time and cost efficiencies in regional integration (e.g. customs unions)
- Data accuracy, advance intelligence and processing
- Extending SW benefits outlined in Rec. 33

## Challenges:

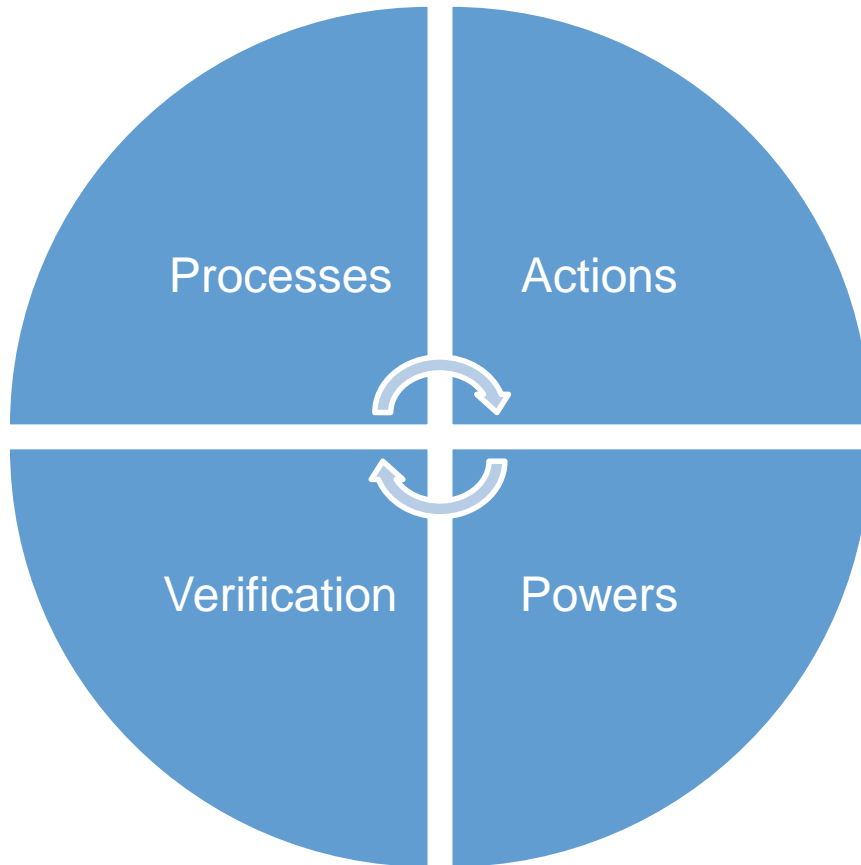
- ICT
- Aligning needs / interests
- Inadequate legal framework
- **Difficulties of cross-border cooperation (governance)**

# Governance of Interoperability



1. Administrative, governance, and managerial conditions that need to be in place in order to support Single Window Interoperability (SWI)
2. Governance in different stages of SWI (design, development, operation)
3. Includes different models of governance (network, project)

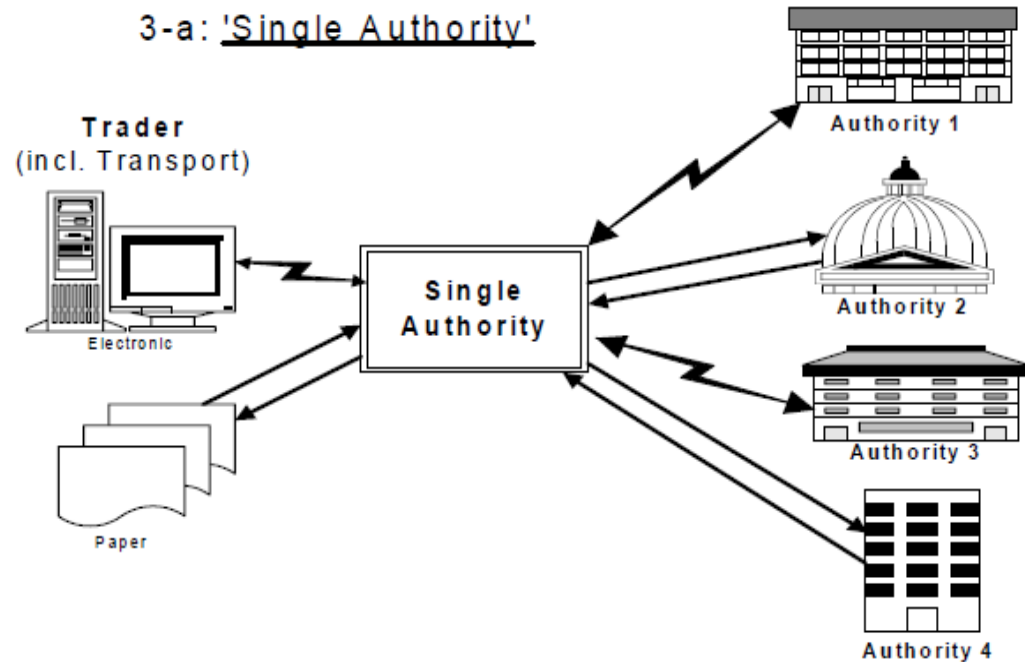
# Definition



- What processes are used for making decisions?
- What actions are necessary?
- To whom are powers granted and how?
- How is performance verified or measured?

# Governance in Rec. 33

- E.g. “Single Authority model”



- Lead Agency

- Vision
- Authority (legal)
- Political backing
- Financial and human resources
- Interfaces to other key organisations

# SWI Governance Context

1. Globalisation / convergence of trade facilitation initiatives  
e.g. WTO TFA
2. Development and use of international trade standards.  
e.g. those mentioned in Rec 33 + Trader Identification, Unique Consignment Reference (UCR) / transaction identification, Product identification
3. Overlaying regional integration structures.  
e.g. Impact of regional economic communities (EU, Eurasia, ASEAN, CAREC, EAC, SADC, NAFTA, etc)

# Governance of Interoperability Design

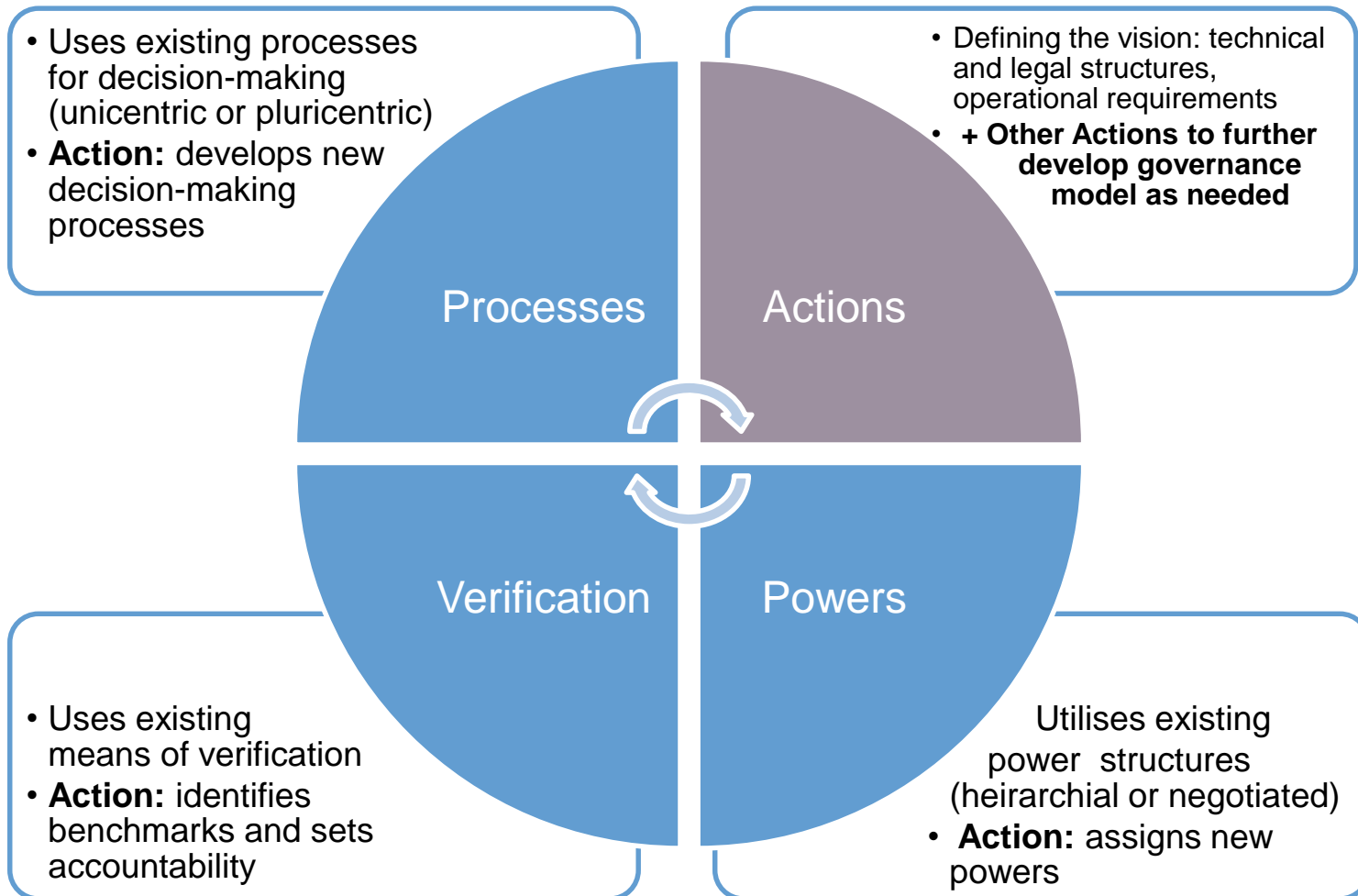
- Identifying operational requirements (Rec 36)
- Defining legal framework (Rec 36)
- Defining technical structures (Rec 36)
- Cost-benefit analysis of all of the above

Also:

- Assigning powers and accountability (that relate to the decision-making process needed to achieve the above actions)
- Setting benchmarks (linked to the above)
- Refining decision-making processes for interoperable Single Windows



# Governance of SWI Design



# Network Governance Model

## Characteristics:

- Involve a large number of interdependent actors who interact in order to produce common purpose.
- Based on negotiation
- Compliance is ensured through trust and political obligation which, over time, becomes sustained by self-constituted rules and norms.

## Benefits:

- Greater access to stakeholders (a network of networks).
- Improvements based on knowledge sharing
- More effective, collective problem-solving.

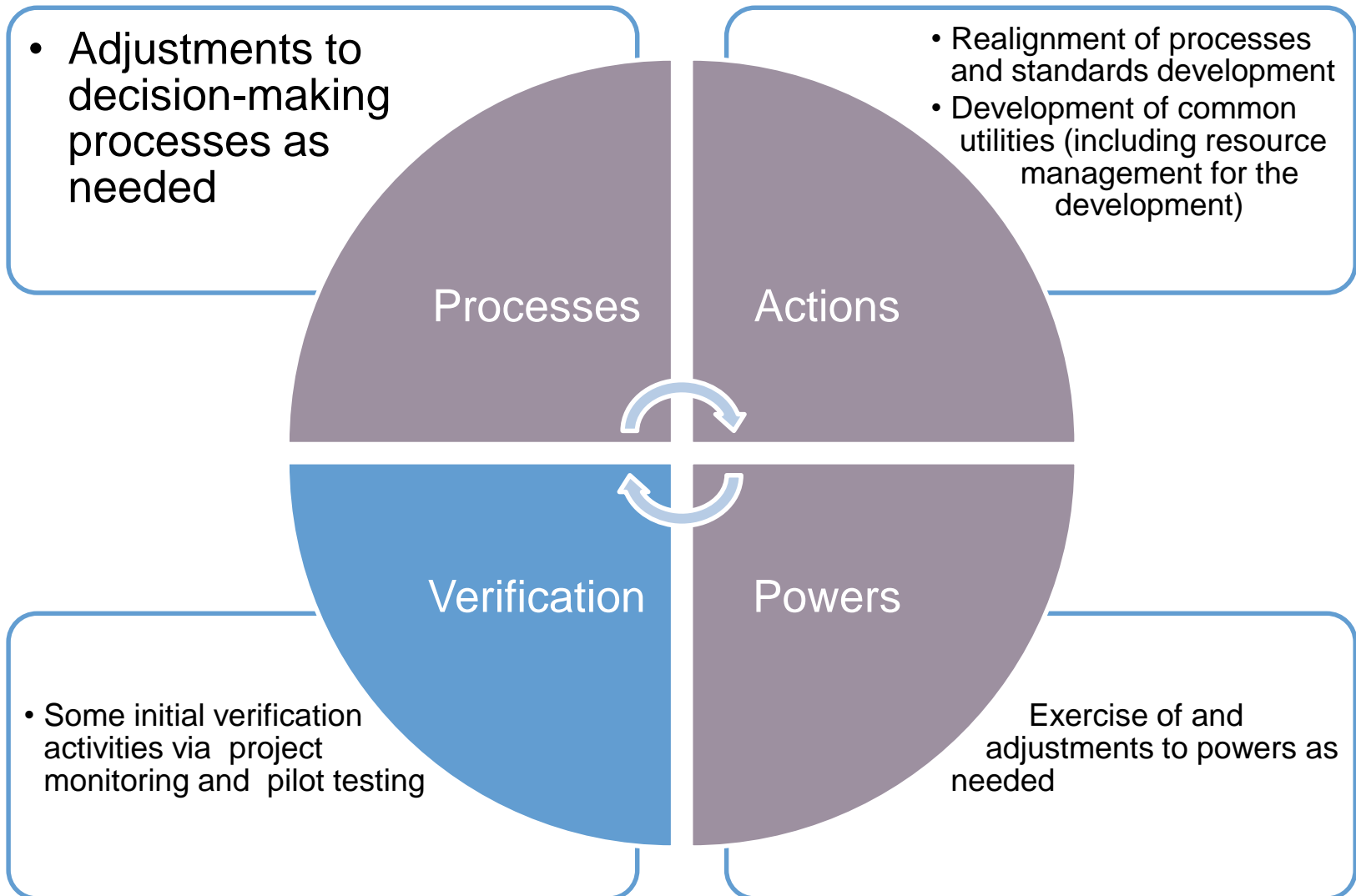
# Governance of SWI Development

- Procurement of resources (financial and human, internal and external)
- Development of software
- Installation of infrastructure
- Business process re-engineering; and pilot testing.

Also:

- Cross-border process harmonisation / alignment
- Development of new standards
  - as needed, if International standards do not apply or need adapting – e.g. common tariff nomenclature, trader identification, etc
- Pooled human and financial resources
  - for the development of core services and common utilities (software or infrastructure e.g. centralised software / gateways / information management, etc).
- Public-private consultations
  - including to help prioritise data to be exchanged between multiple countries/single windows

# Governance of SWI Development



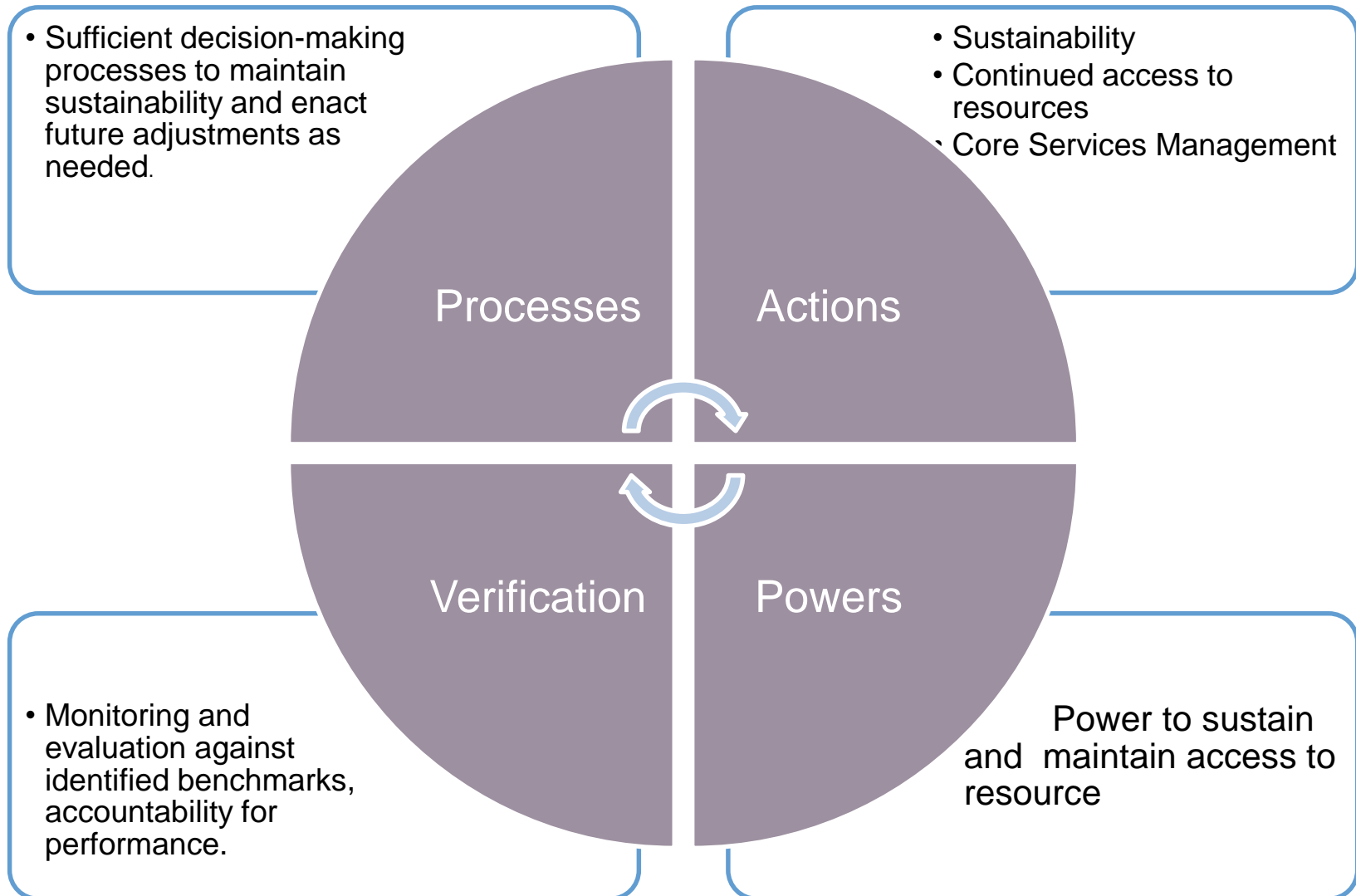
# Project Governance Model

- Temporary
- Management “boost”
- Hierarchical
- Can incorporate earlier models (steering committee etc)

# Governance of SWI Operation

- Sustainability
- Continued access to [pooled] resources
- Core services management

# Governance of SWI Operation



# Hybrid Governance Model

Depends on:

- existing level of cross-border integration
  - e.g. centralised or networked
- form of governance used during development stage
  - e.g. SW Entity, PPP, etc.



# Additional Resources on Governance

- **WCO** – “philosophy of governance” serving citizens’ needs / Coordinated Border Management / GNC & Compendium on building a SW Environment.
- **UN/ESCAP**’s Single Window Implementation Guide - stakeholder collaboration, enforcement, finance, implementation, operation within Single Window Implementation Framework (SWIF).
- **UNECE** – “IOS Environment” centralisation versus federalisation (or network).
- **UN/CEFACT** – Rec. 4 (National Trade Facilitation Bodies)
- **European** Interoperability Framework and guidelines on Integrated Border Management
- Public-Private Partnerships
- Regional Integration

# THANK YOU

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