SINGLE WINDOW
AS PART OF CUSTOMS MODERNIZATION

PART III
VOL 1
The Single Window operates in the area of regulation of cross-border trade. To deliver large-scale change such as a Single Window requires a thorough analysis of the strategic implications for Customs, which must accommodate all the changes associated with the Single Window into its programmes and priorities. On its own, the Single Window will not deliver the benefits of trade facilitation: it needs to be accompanied by other aspects of Customs modernization which contribute to creating the Single Window environment.
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1. Introduction

The Single Window brings together information (documentation and data requirements) from all participating authorities/agencies. Economic operators must submit data or documentation related to import and export clearance at a common, unified interface. Responses are also expected to be delivered to the applicant/economic operator through that unified interface. On its own, the facility does not ensure speedy and predictable clearance. Other elements must be in a position to provide rapid clearance at low costs to trade.

Countries that are implementing Customs modernization have put in place programmes to introduce the reform of administration and border services. Many of these plans involve significant investment in human resources, modernized border procedure services, and information technology services. The introduction of services based on Single Window principles adds another layer to Customs’ strategic programme of action.

This Part helps put the Single Window in the context of the wider modernization agenda, and shows what aspects are impacted by, as well as have an impact on, Single Window implementation. This understanding becomes useful as countries develop their reform agenda and strategic plans, as it puts different aspects of modernization into perspective and assists with prioritizing actions. Governments should not expect Single Window projects alone to deliver the business goals of trade facilitation. Other trade facilitation initiatives must be put in place. The measures contained in the WTO Trade Facilitation Agreement describe other strategic initiatives that governments might pursue.

1.1 Relationship to Other Parts of the Compendium

Part II of Volume 1 lists various border functions and the opportunity for governments to introduce services as part of the Single Window approach. Not all services have the same priority when it comes to implementation. This Part discusses how to identify those services that could meet the strategic priorities of the organization. In selecting and prioritizing the strategic functional and service areas to be covered by the Single Window, it is possible to identify preferred projects and define the strategic business case for the Single Window. The development of a strategic business case and the identification of priority projects is discussed in detail in Part I of Volume 2.

2. Why Strategic Management?

In Part II of Volume 1, we noted that Customs is widely recognized for the critical economic role that it plays in managing the international supply chain, providing social protection, maintaining streams of revenue, and generating valuable statistics for policy making.

Over the years, Customs has discharged these roles effectively, but the political and economic forces of the 21st century have created new drivers for change. Governments must respond to industry needs arising out of rapid globalization and continued growth in trade volumes, the sensitivity of commerce to costs, the geographical mobility of trade flows, and the proliferation of trade
agreements. Industry is growing impatient with inefficient and outdated border procedures, and is expecting governments to create conditions that enable it to follow modern logistics practices leading to predictable processes in the international supply chain.

Additionally, governments are getting increasingly concerned about supply chain security. Apart from disrupting trade flows and causing loss of human life, a terrorist incident can result in disastrous economic consequences for the affected trade lanes. These factors have created another set of drivers that influence regulatory policy on cross-border trade.

In the previous Part, we saw how the Single Window concept impacts different Customs roles and functions. These drivers have significantly altered the way Customs discharges its responsibilities. There has been a shift in the role of Customs from an agency that collects duties and taxes, to one with greater border management responsibilities. Even in those countries where Customs is still a significant source of revenue, it is increasingly called upon to provide wide-ranging support to government policy, especially in international trade and the protection of domestic industry and the domestic economy.

These challenges make strategic management an essential condition for the building of a modern Customs organization that is capable of fulfilling its mission. The following Subsections will look at strategic management in the Customs context, and at how the Single Window fits into this strategic context. There is a need to be client-focused – not just to elicit suggestions from trade, but also to seek its participation in promoting regulatory compliance. Customs needs to join hands with industry in a partnership that helps utilize the traders’ capabilities to further its regulatory objectives.

2.1 What is Strategic Management?

Strategic management is defined as the process of creating an operational strategy for an organization, based on a mission and vision to keep the team on track with its goals and objectives. The government’s priorities, and its national and international obligations, will shape Customs’ operational strategy. The development of a Customs administration rests entirely on the foundation of its mission, vision and strategy.

A plan setting out a vision for trade facilitation over three to five years would typically cover the following four business areas:

**Institutional framework:** This includes the strengthening of regulatory agencies involved in trade facilitation and the co-operation between such agencies, trade infrastructure, and consultation mechanisms with the private sector.

**Legal framework:** This covers import and export procedures, clarity in trade legislation, tariff and non-tariff restrictions, and compliance requirements.

**Electronic business and documentation:** This includes procedures for submission of data by traders, electronic filing infrastructure, workflow processes for import, export and transit, submission of supporting documents, and digitization.

**Specific trade facilitation programmes:** This includes trusted trader/Authorized Economic Operator, measures to balance controls and risk, and measures to reduce release times, etc.
2.2 Being Client-focused

Placing the Single Window within a strategic framework implies examining the impact of the initiative on the government’s various trade facilitation policies. In the preceding Sections, several categories of programme were mentioned. A theme that runs through all these programmes is the need for Customs to remain ‘trade-friendly’. The fundamental pillars of this approach are set out below.

2.3 Regulatory Transparency

The norms of regulatory transparency require industry to be allowed to have a say in the way government creates regulation. Experts state that the establishment of consultative processes reduces the costs to trade, while improving efficiency in implementing regulatory policies. Regulatory transparency improves further when trade has a legal right to regulatory information. Likewise, it is also helpful if governments are required to publish such information *suo motu*.

2.4 Consultation

Consultation should cover all aspects of trade, including regulatory policies, proposals on procedural legislation, and operational aspects of service delivery. Consultation with industry is a requirement under the provisions of the Revised Kyoto Convention (World Customs Organization, 1999). The principles of giving early notice of proposed regulations/legislation and of inviting public comments involve giving a formal hearing to interested parties on policy proposals. Most countries already follow these principles, and they are the very ones that are vital to Single Window project development. Such consultation processes not only enable trade input, but also deepen the trust between trade and CBRAs.

Individual cross-border regulatory agencies should intensify their discussions on service design and delivery. Consultation will become all the more necessary in the future, as regulatory Single Window solutions will rely increasingly on the trader’s data and processes. A clear understanding of regulations will help foster quality compliance from the trade chain. A Single Window project has a better chance of success where partnership with industry is comprehensive and covers all aspects of the project.

2.5 Client Outreach

The WCO SAFE Framework of Standards promotes the concept of the Authorized Economic Operator as a partner with regulatory authorities in facilitating security and speed in trade. Client outreach enables us to expand the circle of willing partners. Businesses that have the capacity and willingness to track and monitor their activities provide the logical starting point for client-outreach programmes for promoting voluntary compliance.

2.6 Aligning Regulatory Agency Goals with Goals of Businesses

The following table illustrates the possibilities of close strategic alignment between the strategic goals of regulatory authorities, and goals that companies would set for themselves in their own interests.
Table 1: Strategic alignment between business goals and regulatory goals.

<table>
<thead>
<tr>
<th>Business Goal</th>
<th>Regulatory Goal</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Product recall capability:</strong> The ability to withdraw or remove products from the supply chain for business reasons.</td>
<td><strong>Consumer safety:</strong> To monitor and control cross-border movement of goods which are potentially unsafe to consumers.</td>
</tr>
<tr>
<td><strong>Product life-cycle management:</strong> (This applies to different product types differently.) The ability to track product information from the conception and design stage, through to manufacturing, shipment and delivery, all the way until consumption and disposal.</td>
<td><strong>Regulatory classification of goods:</strong> The ability to determine the exact product composition for a production batch.</td>
</tr>
<tr>
<td><strong>Inventory management:</strong> Control over delivery schedules – Just-in-Time delivery.</td>
<td><strong>End-use monitoring:</strong> Capacity to track and report end use – for example, of high-technology dual-use items.</td>
</tr>
<tr>
<td><strong>Fast turnaround of vessels:</strong> The ability to rapidly and efficiently unload and load containers.</td>
<td><strong>Supply chain security:</strong> The ability to locate a consignment to subject it to inspection and control. Enhanced possibilities for control.</td>
</tr>
<tr>
<td><strong>Maritime safety and security:</strong> To locate and isolate unsafe containers. To apply the correct handling procedures for dangerous cargo.</td>
<td></td>
</tr>
</tbody>
</table>

The above table illustrates that there can be programmes and arrangements that work to the mutual advantage of Customs and trade. The more that traders are in control of their logistics and regulatory processes, the better they can help CBRAs exercise controls. The more visibility the trader has for his traded products, trading parties and consignments, the more opportunities the authorities will have for applying regulatory controls. If businesses can convince Customs officials that their internal control processes can support and supplement those of Customs, and that Customs can access these ‘internal’ controls, then a bond of trust can be established between Customs and the trader. The ‘authorized supply chain’ emerges when businesses along the entire supply chain are included in the ‘trusted’ category.

2.7 Where does the Single Window Fit In?

What is the relationship between the Single Window and other components of a national strategy on Customs modernization and trade facilitation? Experts agree that the development of a Single Window environment is a key strategic element in linking up trade facilitation initiatives. Because the Single Window impacts all stakeholders in international trade, it has far-reaching implications for Customs. The ‘trusted trader’ concept, Authorized Economic Operator regime and the authorized supply chain need to become part of the business architecture of a Single Window solution. Single Window solutions can also leverage the information models supporting traders’ processes and activities. The Single Window environment needs to be an integral part of this process of engagement between Customs/CBRAs and trade.

In Part II, we saw that the services of a Single Window cut right through the major Customs functions and have a horizontal impact on the entire Customs organization. Customs is the largest and most important cross-border regulatory agency. It has wide-ranging responsibilities, and it enters into every international trade transaction, both in the physical sense of examination of cargo, and in the sense of information gathering. Customs covers the full reach of border processes and has
well-developed competencies in border regulation. Customs’ involvement, track record and capacity have encouraged governments to see it as the natural agency to take up the initiative of the Single Window. The WCO Survey held in 2010 revealed that, in the majority of cases, Customs has been chosen to lead and orchestrate Single Window projects. Even in those countries where Customs does not ‘own’ or ‘run’ the Single Window, it is the primary stakeholder, simply because of its broad business coverage at international borders. The Survey further revealed that Customs-oriented business processes dominated Single Window functionality. Therefore, pursuing the Single Window concept is a strategic decision for Customs.

If Customs has the political backing, urgency, budgetary authority and necessary know-how, it could strategically assume a lead role in the Single Window initiative. That said, there is a need to follow the strategic management process to help define alternatives and appropriately position the choices about Single Window.

The Single Window initiative should be placed within a larger strategic framework for Customs. The issue of ownership and responsibility for a Single Window is a complex process. Decision-making about the precise role that Customs could seek in a Single Window project also falls in the territory of strategic management. Part IX of Volume 1, ‘Managing Transition to a Single Window’, is devoted to this aspect and provides strategic guidance.

To obtain political backing and budgetary support for its chosen role, Customs needs to document its strategic business case that sets out a Single Window as a part of its organizational strategy for effectiveness. Experts recommend that organizations should follow the strategic management cycle shown in the diagram below.

![Figure 1: The Strategic Framework for Customs Modernization, as described in the WCO Capacity Building Compendium.](image-url)
3. Current Strategic Positioning of CBRAs

The activities involved in diagnosing the current situation and developing the strategic plan are part of the strategic management process. The process helps executive management find a place for the organization in the future, while taking into account the current environment. Also called ‘strategic positioning’, it requires a systematic analysis of contemporary trends that influence the organization’s future.

One of the considerations to be taken into account when determining the organization’s strategic position on the development of a Single Window is the ‘as-is’ position defining current arrangements of service delivery. These existing methods will have a significant impact on consideration given to the development of ‘to-be’ services. Part III of Volume 2 (‘Functional Assessment’) describes the methodology for capturing the ‘as-is’ position in respect of the current regulatory responsibilities and functional capabilities of each participating CBRA. The ‘as-is’ framework meets the current set of regulations in force and will also have to be supported in the Single Window environment. The current operational interfaces and modes of engagement between Customs and trade will define the baseline for the ‘to-be’ service design. Any change from this baseline would require a redesign of business processes.

Another consideration is the legislative support to be given to the ‘to-be’ process. Does legislation permit the ‘Single Window’ mode of submission of data by traders? Can one government agency make legally valid decisions based on information received as part of a process laid down in the legislation of a partner government agency? Is sharing of data permissible under national privacy laws?

Similarly, there are considerations for the interoperability of IT systems which provide the interface between government agencies and traders. Many of these IT systems belonging to different government agencies were set up in the past, when hardware, software and data networking were combined to create monolithic IT systems with a rigid architecture. Achieving interoperability by interconnecting such systems poses a unique set of challenges.

Most importantly, however, the current policies and programmes of each cross-border regulatory agency will profoundly influence the ‘to-be’ processes and, consequently, the design of services. Each agency will have a strategy for trade facilitation and a service delivery approach for the future. It is quite likely that all the partner agencies will have their own long-term goals and programmes, along with their political direction and budgetary support.

It may be useful for Customs to study other participating CBRAs’ documents which describe their current strategic outlook and their proposals to facilitate trade over a three to five year period. In the absence of such documents, the current strategic position of these agencies may be derived from their major policy announcements in the last three to four years.

The analysis of the strategic position of Customs and partner agencies will quickly reveal the different strands of strategic planning for modernization. The next Section discusses the vital aspects of Customs modernization initiatives.
4. Inside a Modern Customs Organization

A brief examination of the performance of major industrial nations with regard to trade facilitation reveals that the ‘Single Window’ has historically not been a significant factor in achieving success. Over the years, most countries that have been assigned a high ranking on the World Bank’s trade performance scale ‘Doing Business, Trading Across Borders’ (the World Bank Group, 2010) either did not have a Single Window solution, or were still in the process of developing one. These countries have been operating advanced logistics systems to support rapid flows of goods. Included in the general picture for these countries are modern Customs practices, such as risk management, post-clearance audit (PCA) and trusted trader programmes, coupled with traditional EDI-based inter-agency messaging – but seldom a Single Window solution.

On the other hand, a country’s performance according to widely accepted measures of logistics efficiency (such as the World Bank’s ‘Logistics Performance Index’) can potentially improve, simply by establishing a Single Window concept for international trade. The available data from these indices suggests that, while the Single Window is just one aspect of effectiveness in trade facilitation, it may be quite an important one.

Governments that have already implemented a Single Window, but only as an electronic facility, are progressively adopting further programmes to introduce risk management, post-clearance audit, trusted trader programmes and client outreach. This way, there is a better chance of achieving high levels of trade facilitation.

A study of the regulatory environment in some of the advanced industrial nations reveals that the key performance measure for trade facilitation – short and predictable release times – is achieved only when some interlinked policies and programmes come together in a mutually supportive manner. The rest of this Section uses a strategy framework developed by Michael Porter to illustrate this aspect of strategic management.

4.1 Distinguishing Features of Modernized Customs

We begin the examination of Customs administrations with a simple tick-list of the defining features that an analyst of trade and logistics infrastructure can easily find in any advanced industrial nation that performs very well on trade facilitation and logistics measures. This tick-list can be used as a self-checking exercise.

Table 2: Distinguishing features of a modern Customs administration.

<table>
<thead>
<tr>
<th>Sr no.</th>
<th>Defining characteristic</th>
<th>Observable features</th>
<th>True</th>
<th>Partly True</th>
<th>Not True</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Cargo release is mostly automatic</td>
<td>Most of the cargo is released based on the declaration, and without regulatory examination at the time of release.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Intervention is by exception. Documents are not examined at the port/airport/land border while cargo awaits release.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Simplified procedures</td>
<td>Release on minimum documentation.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Two-step declaration process, where the first phase involves</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Simple tariffs and clear regulations</strong></td>
<td><strong>Practical use of risk management</strong></td>
<td><strong>High capability of compliance</strong></td>
<td><strong>Developed post-audit controls</strong></td>
<td><strong>Certified client base</strong></td>
<td><strong>Efficient information exchange</strong></td>
</tr>
<tr>
<td>----------------------------------------</td>
<td>-----------------------------------</td>
<td>---------------------------------</td>
<td>---------------------------------</td>
<td>--------------------------</td>
<td>---------------------------------</td>
</tr>
</tbody>
</table>
| Low variability in rates of duty; few types of duties and taxes. Accessibility to advance rulings and binding rulings on tariff classification, valuation and origin. Transparent methods of tax computation, facilitating automation; few ‘conditional’ exemptions from duties and taxes. Low tariff rates (mostly found in industrialized economies). | Risk management is an organization-wide process, with a systematic effort to implement risk-based controls. Risk management is embedded into strategic, tactical and operational processes. Organizational structure supports risk management. Automated systems help risk assessment and selectivity. Intervention is by exception. Automated targeting capability. | Government takes proactive steps in publishing compliance information. Voluntary compliance is supported through client outreach programmes. Trade members remain invested heavily in compliance management. Arrangements made for receipt of automated information. | Maintaining client account information is a matter of organizational routine. Organizational units and skills exist for post-clearance audit, and assignment of audit tasks follows the principles of strategic risk management. Post-clearance audit is the basis for compliance tracking and measurement. Legal support for on-premises audit and access to client’s information systems and data. | Existence of Authorized Economic Operator programmes, trusted trader/authorized operator programmes. Transparent norms of certification based on independently verifiable audits. | Electronic data interchange systems interlink various stakeholders – connecting traders, ports/airports, logistics providers, regulatory agencies and banks. | Highly standardized and simplified messaging has been
electronic messages | implemented. Messages cover a broad spectrum of business needs related to regulatory clearance.
---|---
Support for supply chain visibility | The entire community has invested in features that facilitate the transparent discovery of the status of declarations and release, vessels, cargo and container movements.
---|---
Progressive build-up of data | Systems do not demand the submission of all data at once. Data is allowed to be built up in stages, matching the corresponding actions in the trading and logistics business.
---|---
Reliable and orderly cargo delivery | Low idle-times for cargo handling resources at terminals and warehouses. Low waiting times for delivery trucks. No visible clogging or queuing in the cargo facility. Effective communication links between cargo handling units and dispatch systems.
---|---
Highly automated cargo delivery | Real-time, graphics-enhanced container storage yard information supports highly reliable capability to locate containers. Automated binning in the warehouses helps rapid storage/placement and retrieval of cargo.
---|---
Excellent logistics capability | Inland hauliers can automatically schedule the delivery and collection of cargo at the airport, port or inland freight station. Low waiting times and loading operation times for trucks.
---|---
Real-time exchange between Customs and logistics operators | Release and release status information provided instantaneously to importer, forwarder, port and airport authority and warehouse operators. Carry-in and carry-out gate permissions are automated and managed through online connectivity.
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5. Putting the Jigsaw Pieces Together

Michael Porter introduced the notion of strategy as an activity system (Porter, 1996), (Harvard Business Review, Nov-Dec 1996, 60-80) that creates a strategic fit among the organization’s activities. A system is defined by its elements and the interconnections that exist between them. Activity systems are non-linear ways of thinking about these interconnections. Each interconnection reinforces the organization’s strategy, and together the map brings out the defining features and capabilities of the organization by the reinforcing patterns of activity systems.

5.1 Achieving Short and Predictable Release Times

The above table describes some of the defining characteristics of a modern Customs administration. These features can also be visualized as a network of dependency relationships.

For example, short and predictable release times cannot be achieved without high levels of automated release of consignments. Physical handling of cargo by logistics facilities must ensure that cargo moves rapidly and reliably through border facilities. Predictable and quick release is meaningless if the logistics processes cannot keep up with the pace of regulatory release. The regulatory and physical processes come together with the support of IT systems-based timely flows of information. The diagram below depicts this relationship and the interconnections between some of the key features of an advanced cargo clearance system.
Figure 2: Characteristics of an efficient cargo clearance system.

The adjectives used in Figure 2 should be noted: reliable and orderly cargo delivery, efficient information interchange, and mostly automatic cargo release. If even one of these adjectives were to be replaced by its opposite, the whole system would fail to deliver short and predictable release times.

This examination provides an insight into how most of the advanced industrial nations have already achieved high standards in the border processing of cargo. It indicates that, as well as a Single Window solution, much more needs to be accomplished to achieve the targeted efficiencies in cargo clearance. The management of expectations from a Single Window project is vital, and the other elements that underpin fast moving trade must be borne in mind.

5.2 What Does Automated Release of Cargo Involve?

Closer examination gives a clearer picture of the entire system, with its policy strands and programmes. For example, for cargo release to be mostly automatic, it needs to be accompanied by low rates of inspection and documentary examination upon arrival of cargo in the real-time flow of cargo. Low control rates cannot be achieved without the effective use of risk management, high recorded levels of compliance by clients, and reliance on post-clearance audit by Customs. In all such cases, Customs follows simplified procedures, providing guaranteed release with minimum documentation. Industrialized nations tend to have low tariff levels, along with simple tariff regimes. Added to this, non-tariff restrictions and regulatory requirements are transparent, allowing traders easy access to information on regulatory compliance, and enabling them to be efficiently prepared to meet these demands.
Further, economic operators who demonstrate high levels of compliance will not just have to remain invested in their internal capacity to comply with regulations, but will also have to maintain a clean track record. Customs can promote high levels of compliance through client outreach, training, and certification programmes. A certified client base provides reasonable assurance of compliance. The reliability and quality of the client certification process are ensured through formal and legally backed initiatives and programmes, such as ‘Authorized Economic Operator’ (AEO), which Customs operates in several countries. The processes of providing regulatory authorization should not fall behind the physical processes of cargo movement. This can only be ensured when declarations for goods and cargo are submitted in advance, and through efficient information exchange facilities.

5.3 Dynamic Information Interchange

The following diagram looks at the key aspects of electronic data interchange. Standardized and simplified data is the basis for information flows. Non-standard data and messaging create islands of information and increase the effort and complexity involved in maintaining interconnections between information systems. Standardized information is also the basis for building a consistent and meaningful collection of information. These blocks of information are useful in data interchange when they follow the logical order of the information-creation business operations involved in trade and transportation transactions.

The actions and activities taking place in the course of commerce and transport operations lead to the progressive build-up of data. Contemporary studies on time release point to the process of document preparation for import and export as the principal source of delay. The principle of progressive build-up leads to the gradual completion of information needed by regulatory agencies, cutting the lead time dramatically in document preparation. In the absence of the use of electronic means for
the progressive build-up of data, there is usually a last-minute scramble for information collection, and the need to maintain confidentiality regarding information has implications for the channels of information flow. Not every player in trade and transport has simultaneous access to all the pieces of information that the importer/exporter or his agent needs for preparing regulatory declarations. The lack of awareness about the anticipated supply chain transactions and current status of cargo movements prevents the ‘regulated parties’ from making advance submissions of information. Therefore, support for *supply-chain visibility* is a key factor in the enablement of rapid clearance.

![Diagram](image)

**Figure 4:** Efficient information exchange implies standardized data and processes.

### 5.4 Efficient Supply-chain Logistics

Lastly, the physical and logistics side of operations must match the pace of regulatory approval. There are many aspects to this. The services that form onshore infrastructure include tugging and pilotage, terminal handling, container yard management, tally and accounting, intra-terminal and intra-port-facility movements, and warehouse management (binning and retrieval). The diagram below depicts these inter-relationships.
Figure 5: Cargo delivery capabilities should match the speed of automated regulatory release. Green indicates the role of logistics operators.

Experts (Clark, Dollar, and Micco, 2004) have documented that poorly performing ports have a direct negative impact on trade volumes, and that this is visible in smaller and less developed economies. The quality of onshore infrastructure is an important determinant of transport costs. Studies have reported that port infrastructure is a major determinant of carriage costs. According to the above paper on poorly performing ports, these costs account for up to 40% of predicted transport costs for countries with a coastline, and up to 60% for landlocked countries. Also, if a country that is currently burdened with relatively weak infrastructure (for example, in the bottom quarter) can upgrade it to the same level as that of the top quarter, “it can result in the reduction of transportation costs by as much as 20% to 50%”.

Therefore, investment in port and airport modernization clearly pays off, and has to go hand in hand with other regulatory simplification initiatives. These investments are large and complex. They involve the use of high technology and long gestation periods. Returns on investment are typically spread over decades.

The analytical framework of ‘activity systems’ used in this Part provides a clear perspective regarding the strategy for Customs modernization. The expectation of short and predictable release times is the result of a series of interdependent activity systems that range from port infrastructure to simplified Customs procedures, and is mediated by several interdependent factors.

The following diagram gives the entire picture of activity systems. It has been arrived at by aggregating the above diagrams into one single frame. Customs executive management must recognize that there is a need to work simultaneously on different aspects of Customs modernization, as the chain is only as strong as its weakest link. The framework also provides the opportunity to arrive at a strategic positioning of each component of the activity system.
6. Implications for the Single Window

In all of this, where is the Single Window environment? A Single Window project can be used as a vehicle for enabling or promoting each of the ovals in the above diagram (save the three olive-green ovals in the top left corner, which are the preserve of logistics infrastructure and not of concern to Customs). The Single Window initiative can impact on a number of Customs modernization efforts. In addition, Single Window projects may help in enabling the strategic components of a modern Customs administration and can have a positive impact on the different strands of modernization. Likewise, the launch of a Single Window project is an important ‘given’ in formulating various programmes for Customs modernization.

The fundamental principles of Customs modernization become normative for all participating CBRAs in the Single Window initiative. For instance, if Customs follows risk management practices, it becomes imperative for other government agencies to follow suit. The same logic applies in respect of trusted trader programmes, post-clearance audit programmes, client outreach programmes and simplified procedure regimes. Participating CBRAs will be able to share their best practice with other agencies.
7. Conclusion

The establishment of clear and accepted strategic goals is vital for the Single Window environment. A ‘Single Window’ is not just about creating a facility that receives import, export and transit-related regulatory information at one point; it is also a strategic response of the organization to meeting its trade facilitation and security objectives.

The WCO Capacity Building Compendium provides a series of analytical frameworks for strategic management in the context of organizational development, and this is relevant in preparing the strategic business case for elaborating a Single Window environment. This Part recommends that any Single Window project must position itself as an integral part of the organization’s strategy for effectiveness. Available data suggests that Single Window projects alone cannot produce the desired outcomes in trade facilitation. A comprehensive programme for responding to the needs of businesses and governments must incorporate a broad range of measures, including the adoption of inter-agency co-ordination in risk assessment and control procedures.

The Single Window environment is capable of facilitating trade by improving speed and efficiency. However, the ‘Single Window’ solution needs to be seen in the context of a broader thrust towards Customs modernization, which has many dimensions. As an IT solution, it needs to be considered in conjunction with a host of other measures, such as those described in the WTO Agreement on Trade Facilitation and in the Revised Kyoto Convention, to radically transform the way regulatory authorities exercise control over the supply chain.