ESTABLISHING FORMAL STRUCTURES

PART V
VOL 1
The crucial decisions in the early stages of any Single Window initiative relate to the formation of governance structures. The formal structures will determine reporting relationships and project governance. Efficient administration is vital to the success of the project.
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1. Introduction

The earlier Parts of Volume 1 discussed how to prepare the ground and mobilize support for the Single Window concept. They explained that, despite the challenges in policy planning, it was possible to obtain a convergence of views and to build consensus on the way forward. When the political leadership is convinced about the need for a Single Window approach and demonstrates a willingness to steer different agencies towards “the mindset for cross-agency collaboration” on future initiatives, it is time to act.

This Part elaborates the concrete steps that should be taken to launch the Single Window initiative. The creation of a political mandate and the establishment of governance structures will be covered. The question of financial management and innovation in partnership with the private sector will also be discussed.

![Diagram](image)

**Figure 1: The different phases involved in implementing a Single Window environment.**

When senior management in each CBRA develop a mindset geared towards cross-agency collaboration and agree that adopting a Single Window approach is in their strategic interest, they present a strategic business case to government. The approval of the strategic business case signifies the formal launch of the Single Window initiative. The block in the middle of Figure 1 will be the focus of this Part.

2. Mandate

The mandate for a Single Window gives the official instruction or direction to proceed with its development. The mandate gives legitimacy to the adoption of certain clear policies and well-defined objectives, the establishment of new organizational structures and the assignment (including reassignment) of technical, financial, and regulatory authority to achieve these aims. The mandate
must be political since only the political leadership can support the far-reaching decisions that need to be taken to support the Single Window initiative.

The mandate can be an executive order, a decree, or an Act/Resolution by the appropriate legislative body. The mandate has to be legally valid and administratively sound. Broadly, the terms of reference for a Single Window initiative comprise the following:

- **Statement of objective and purposes**
- **Definition of terms used**
- **Activities/services covered by the Single Window concept**
- **Establishment of the organization acting as lead agency, and the identification of partner agencies/CBRAs:**
  - Legal definition of the entity acting as lead agency
  - Financial dispensation for the lead agency, and operating philosophy
  - Lead agency organizational and consultative structures
- **Powers vested in each of the identified organizations, including the lead agency, to:**
  - Approve projects
  - Recommend changes to legislation
  - Set service standards
  - Adopt changes to business processes
  - Adopt interoperability standards
  - Evaluate and review project implementation
  - Handle disputes
- **Date of applicability**
- **Schedules for the implementation of the Single Window initiative**

The draft structure of the mandate needs to be presented to the government along with the *strategic business case* (please refer to Part I of Volume 2). It is essentially about the identification of goals and objectives, and re-allocation of authority. There is a danger, if the mandate is not clear, that default organizational structures, the current allocation of powers and resources, and existing modes of operation will prevail. The extent to which the mandate can be explicit may perhaps vary according to the political and administrative culture.

Once the mandate is established, work can begin on identifying the preferred projects. The detailed process of drawing up business cases for the preferred projects is discussed in Part I of Volume 2. The rest of this Part describes some of the particular issues.

### 3. Creating Empowered Organizations

The objectives and purposes identified, and the activities/services to be covered by the Single Window, form the initial part of the mandate. Parts I, II and III of Volume 1 provide insights on how a government can go about identifying the objectives of the Single Window initiative and determine the overall scope of services.
The establishment of the organization which will act as lead agency, and the identification of partner agencies/CBRAs, is the next big question. The Single Window environment needs a lead agency to co-ordinate decision-making and to orchestrate border management activities across multiple agencies. This issue was briefly discussed in Part IV of Volume 1, which explained that the role of lead agency comes with a package of responsibilities and accountabilities which can vary and be configured in many different ways. Customs or its partner agencies have to elect or claim the roles they seek to play (based on their respective strategic outlook). In any case, the lead agency has to be driven by the consultative and inclusive process of decision-making. While the precise outcome of this process will be reflected in the governance structures created under the mandate, the actual configuration must address four key issues:

(i) Extent to which the lead agency is an ‘operator’ or an ‘orchestrator’;
(ii) Degree of organizational restructuring and reallocation of powers envisaged;
(iii) Legal characteristics of the operating entity;
(iv) Involvement of private bodies in the decision-making and operational structures.

### 3.1 Single Window ‘Operator’ or ‘Orchestrator’?

The responsibilities of the Single Window lead agency can vary considerably, depending on the answers to the following:

**Is the primary role of the lead agency to define, manage and enforce the interfaces, data standards, service standards and business process?**

If the answer is Yes, then the lead agency is more of a Single Window ‘orchestrator’ than ‘operator’.

**What is the degree of centralization and sharing of IT systems between CBRAs?**

If there is a high level of concentration of IT systems, the lead agency may find itself in the role of Single Window ‘operator’ and will, to a great extent, be called upon to operate IT systems, as opposed to letting individual CBRAs manage their systems.

![Figure 2: Extent to which lead agency will operate IT systems determines its role as System Operator or Orchestrator.](image-url)
3.2 Reorganization of CBRAs

The Single Window initiative presents government with a unique opportunity to reorganize regulatory functions. Reorganization is a strategic decision. The extent to which regulatory authority for examination, intervention and release is vested in the lead agency is one of the issues involved in reorganization. Centralization of regulatory authority will lead to the ‘single authority’ model.

Figure 3: Extent to which Lead Agency has the authority to inspect, release etc., determines the model of the authority.

These important aspects were briefly discussed in UN/CEFACT Recommendation No. 33. What emerges from instances of implementation around the world is that there is no single model which is universally applicable, and that there could be variations along the lines described above. Authority and accountability go hand in hand. Lead agency authority should be assigned only to that body which can deliver and can be held to account for failure. This could be an existing entity, such as a government department. It could even be an inter-agency body, created specifically to fulfil the mandate, and with the legal and administrative authority to act. The issues concerning reorganization are discussed in Part IX of Volume 1.

3.3 Legal Personality of the Entity

The above discussion provides two different aspects to understanding the functional role of the lead agency: (i) the degree of involvement of the lead agency in the operational dimensions of the Single Window, and (ii) the extent to which the lead agency will possess functional authority. The configuration of this functional role will influence the options for the type of legal entity that will be the lead agency. The legal entity could take the following forms:

- A government department with specified executive and agency powers and responsibilities established in law or regulations;
- An autonomous entity created through a legislative Act;
A body established by company law, whether private or public;
- Any other voluntary association of entities covered by other national legislation;
- Joint venture with commercial entities.

There are, however, possibilities for the involvement of the private sector in the operation of the Single Window. This issue is discussed in detail in the following Subsection.

### 3.4 Public-Private Partnerships (PPPs)

Part II of Volume 2 is dedicated to the topic of public-private partnerships. The following questions can be examined as part of this discussion:

- Will the private sector take over existing assets involved in the Single Window project, whether through acquisition or lease?
- Will the existing assets that are leased to the private sector be returned at the end of the period of operation of the lease or contract?
- Is the private sector permitted to acquire additional capital assets, or will only government decide on capital investments?
- Will the operating expenditure be met through revenue streams by charging user fees, or will government partially or wholly fund the operating costs?
- In the asset acquisition cycle, will the private sector also be involved from the design stage?
- Will the government and the private sector jointly build and operate the unit where risks and returns are shared?
4. **Structures of Governance**

Governance is about the allocation of roles and responsibilities. It is also about clarity and transparency, how risks are managed, and who is accountable for what. The mandate that creates the organizations having the relevant powers also needs to very briefly specify the governance structures. There are several ways to describe these structures. However, for the purposes of analysis, this Section uses the following diagram to explain the issues involved:

![Diagram of governance structure model](image)

**Figure 4:** Single Window governance structure model.
In this example, the political mandate creates a governing body as the lead agency, which is headed by an executive director who formally reports to the lead Ministry (for example, the Ministry of Finance). The governing body, whose membership includes all key stakeholders, is empowered through the mandate on the Single Window to take all policy decisions, including approval of projects, management of standards and interfaces, interchange agreements, memoranda of understanding between CBRAs, service levels, etc. It has defined financial powers, along with allocations from the public budget. Further, it is assisted by an Executive Secretariat, which provides administrative and technical support.

The projects that participate in the Single Window environment are governed by the Executive Secretariat, either directly, in its capacity as the Single Window operator, or in its role as the orchestrator. A few major projects will constitute the core of the Single Window. For these, the Executive Secretariat has direct control; however, for other projects that are run by the respective CBRAs, it may be involved in indirect supervision.

The illustration above suggests that a Single Window environment could include multiple projects – some within the direct operational control of the Single Window authority, and others where the body merely specifies conformance with operational standards.

The organizational structure that governs the Single Window environment will be different in the various countries. The reporting structure, lead agency configuration and distribution of executive powers within the structure will differ from country to country.

In general, there are three layers: the ‘consultative’ layer, involving representatives of the private sector, CBRAs and domain experts; the ‘decision’ layer, comprising the governing body that has managerial responsibility for approving standards and for running projects; and the ‘execution’ layer, responsible for project implementation. Responsibilities range from orchestration to operation. Not all projects that are part of the Single Window environment will be operated by government departments or the Single Window authority. In some cases, the legacy systems of government agencies will also continue to play a role within the Single Window environment.

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**Single Window Operator or Orchestrator**

The example below provides an overview of how the lead agency for the Single Window initiative is engaged in managing the expectations of multiple stakeholders linked to the project. It illustrates the need for the Single Window orchestrator to deal with multiple projects, and the main projects and agencies responsible:

- **Building blocks of e-governance that support identity and authentication infrastructure for IT projects across government departments** *(Responsible agency: government CIO)*

- **Government gateway that helps transmit transactional data between government agencies** *(Responsible agency: government CIO)*

- **Participating VANs that handle transactional data between business and government** *(Responsible agency: VAN operator (private sector))*

- **Automated Customs clearance systems operated by Customs authority** *(Responsible agency: Customs)*

- **Cargo community system at each port/airport operated by a private consortium** *(Responsible agency: cargo community system operator – public-private partnership)*

- **Maritime Single Window developed by maritime authorities** *(Responsible agency: maritime Single Window operator – port authority)*

- **Licensing and inspection systems run by veterinary authority** *(Responsible agency: Ministry of Agriculture)*

In this example, the Single Window orchestrator does not deal with any project on its own. Rather, it provides and maintains the relevant standards, and polices compliance.
A different view of organizational structures is also possible, indicating the hierarchy. That structure, too, is a question of national preference. The complete organizational structure, providing clear roles, responsibilities and reporting structures, is preferred. Responsibilities within the structure need to be explicitly specified. The mere fact that a particular department is acting as the lead agency and serving under an administrative Ministry does not give it any special privileges. For any structure to be sustainable over an extended period, the delicate balance between authority, competence, responsibility and accountability needs to be maintained.

![Governance Structure Diagram](image)

**Figure 5**: Example of another governance structure for Single Window.

## 5. Conclusion

The successful political resolution of the main questions will lead to the launch of the Single Window initiative. This Part discusses the creation of formal structures that will support the building of a Single Window environment. After government approval for the strategic business case, the political mandate is established, leading to the creation of high-level structures, with roles and responsibilities assigned to different agencies. The structures will assume the characteristics of a Single Window ‘operator’ or will serve as an ‘orchestrator’.

This Part enumerates the generic organizational types that will support the Single Window projects. For example, one option is to set up new government departments that span traditional departmental boundaries. Other examples cited are special-purpose instruments for financial governance, and empowered structures to support informed, inclusive and consultative decision-making processes. Possibilities of private sector participation and partnership are also outlined, and various models of public-private partnership discussed. This Part also suggests that business cases for the preferred projects should be approved and implemented in stages, with each stage launching new Single Window services.