

Skopje, January 2009

## **SINGLE WINDOW REPORT**

### **EXECUTIVE SUMMARY**

#### **Introduction**

The project for development of a single window system in the Republic of Macedonia was officially launched by a Government decision on March 27, 2007. Leading agency for the implementation of the project is the Customs Administration of the Republic of Macedonia (CARM). The Government established a SW working group comprised of representatives of CARM, the National Commission for Integrated Border Management (IBM Commission), the Ministry on Information Society, USAID<sup>1</sup> (United States Agency for International Development) and representatives of 15 government agencies responsible for various aspects of international trade regulation.

The system's official name is EXIM and it can be found on [www.exim.gov.mk](http://www.exim.gov.mk). The modules for export/import licenses and quotas are operative since 1st November 2008. The development of other modules will continue in 2009.

#### **Background**

The general objective of the project was to facilitate and enhance the access to and exchange of cross border data and information among various government agencies and among the government and the business community. More specifically, the project aims at providing conditions for submission of import/export/transit data only once and on one place, and for more efficient coordination of all cross border controls and inspections.

The project was launched in March 2007, and its first modules became fully operative at the beginning of November 2008.

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<sup>1</sup> Assistance from USAID has been available through all stages of the project development, and is still ongoing.

## **Establishment**

Of all the participating institutions, only the Customs Administration had a previously established automated system for processing of customs declarations. During the EXIM development, the Veterinary Administration also developed its own electronic system which is currently being integrated with EXIM. Other institutions still do not have separate systems for management of the licensing process and they will process their respective licenses through EXIM.

Preparing for the implementation of the project, the working group studied many SW concepts and models. However, we cannot say that each of them served as a role model. The Macedonian SW system is mostly based on the current conditions and capacities of the cross-border agencies, as well as the needs of the Macedonian trading community.

The Macedonian working group first carried out a thorough analysis of the trade data required and the trade processes performed by each government agency involved in foreign trade transactions. Based on the information collected, and following the UNECE Recommendation 33 on Establishing a Single Window and Recommendation 34 on Single Window Data Harmonization and Standardization (the latter in draft), the group standardized trade data required by various agencies and harmonized them against the WCO Data Model. At the moment, the set of standardized and harmonized trade data contains around 80 data.

In addition to the process of standardization and harmonization, the working group worked on identifying legal obstacles and improving the legal environment for the implementation of the SW project. The areas reviewed include, but were not limited to: electronic submission and issuance of import/export licenses and other trade documents, electronic signatures, security issues and identification of system users, liability issues, etc.

Training was necessary for each of the stages of system development, i.e. understanding of the SW concept, trade data standardization and harmonization and improvement of the legal environment. It was organized, at different levels for both the members of the working group and the representatives of various government institutions.

## **Services**

EXIM integrates fifteen government agencies responsible for the issuing of export/import/transit licenses and the Customs Administration. The Veterinary Administration is connected to EXIM through interface. Currently, EXIM includes 66 various licenses, as well as possibility for distribution of tariff quotas. EXIM modules provide the following services:

- Information for the business community on the required licenses (on tariff-line basis), the issuing institutions, the amount of administrative fees and on the available tariff quota quantities.
- Electronic submission of export/import/transit license applications and following of their processing status.
- Equal treatment of the electronic and paper applications
- Electronic issuing of licenses
- Submission of electronic applications for tariff quotas and electronic distribution of the quotas.
- Electronic monitoring by the issuing institutions of the status of paid administrative fees.

EXIM is an open system that enables communication with other system through exchange of XML files. It also provides for centralized management of common reference data, such as data on companies, tariff lines and codes, participating institutions, licenses, etc.

The modules that will be developed in 2009 will enable submission and processing through EXIM of transit customs declarations and TIR documents. Their launch will provide for automated registration of the usage of the issued licenses. The first statistics on the usage of EXIM will be available by mid 2009.

### **Operational model**

The modules being developed during the first stage provide for the following:

The business community can access EXIM through any Web browser. The submitted license application is automatically forwarded to the responsible institution. The applicant can follow the status of the submitted application in EXIM and is being informed through email about every change in status. Every institution has a possibility to communicate with the applicant and to request additional data or corrections.

Licenses issued by the respective institutions are electronically available to the institutions responsible for control of shipments at border-crossings or internal customs terminals. Based on the information contained in EXIM, the latter verify the usage of the respective license. Upon the completion and launch of the modules for transit customs declarations, the usage of licenses will be done automatically by the system.

The system also provides for electronic application for and distribution of tariff-rate quotas.

EXIM users, both from businesses and institutions, can undertake actions within the system upon prior identification with valid digital certificates.

Main clients of the system are the traders (importers and exporters) and the forwarding agents.

### **Costs and Business model**

The development of the software was financed by USAID and the purchase of the necessary hardware was financed by the Macedonian Government.

There will be no extra charge to businesses for the use of EXIM, except for the purchase of digital certificates. They will however continue to pay the administrative fees set in the applicable legislation for the respective licenses.

### **Technology**

The whole software application is web based and users will only need browser application to use it. The proposed solution is developed and deployed using standard three tier web architecture. The first tier is the HTTP Server which handles requests from the client browser. The middle tier is Application server which will host the developed application and provide dynamic content generation and processing. The proposed middle tier solution is based on Web Sphere Application Server. The third level (persistent level) in this multi tier architecture is the back end relational database which manages and provides access to the application data. The database solution is Oracle Database Server EE. The web application is developed using Java based standard JSF 1.2 technology using Tomahawk, Richfaces and Ajax libraries and deployed on the chosen application server. Web services are used for interoperation with other systems (Veterinary Administration). The users access and use the web application through any modern browser like Firefox, Internet Explorer or Opera.

Web-based form designer allows administrators from the respective institutions to create new forms and to modify existing forms. The forms are used for electronic submission of the applications for import, export and transit licenses and quotas and for issuance of certain types of licenses for which the form (template) is prescribed by law. Users of EXIM system use this web forms to input and validate form data, then XML file is created on the client side and is digitally signed using user's digital certificate. This XML file is then sent to EXIM system, signature is validated and the data is entered in EXIM database.

Once completed, the modules for transit customs declaration and TIR will enable electronic import of data from the customs brokers using a standardized XML format.

Data from the business community is sent into EXIM system and then disseminated to the relevant authorities.

## **Promotion and Communication**

First promotional activities started long before EXIM launch. On several occasions, the Government of Macedonia and USAID organized public presentations aimed at informing the public and the business community about the concept of the system. In July 2008, a pilot-project started that included three institutions and ten companies. After the official full-scale launch of EXIM on 1<sup>st</sup> November 2008, a high-level promotional event was organized in December 2008. In addition, EXIM is being promoted through distribution of a promotional brochure that contains brief information on system's functionalities.

During the first half of 2009 a series of trainings will be delivered for the members of the business community. Trainings will be organized for targeted EXIM users throughout the country.

EXIM Help Desk is available consisting of representatives of the Customs Administration and the participating institutions.

## **Legal Aspects**

The use of the system is voluntary for the business community and mandatory for government institutions, i.e. the latter are obligated to enter in EXIM all license applications received in paper.

Users have to sign contracts/agreements in order to get access to the system.

In order to introduce the system, Macedonia changed a large number of laws and regulations that regulate areas such as administrative procedures, administrative fees, electronic signatures, etc. In addition, the Government adopted a separate regulation establishing EXIM.

The privacy of information is protected under the applicable Macedonian legislation on privacy of data.

## **Standards**

The UN/CEFACT Recommendation 33 on Establishing and Single Window and draft Recommendation 34 on Single Window Data Harmonization and Standardization were seriously consulted and followed to a great extent in the course of conceptualization and implementation of the project.

## **Benefits**

The benefits to the clients and to participating agencies are:

- Speeding up of the procedure and flow of information and goods across the border.
- Result in smaller number of documents and reduce the need for double typing of information, due to the process of harmonization and standardization.
- Electronic application and control of licenses and data.
- Savings in money and time for issuing licenses and for developing and maintenance of separate agencies systems.

## **Lessons Learned**

- Support and commitment from the highest political level.
- Dedicated team of experts who worked on developing the system.
- Expected benefits for the government institutions and the trading community.

## **Obstacles**

- Implementation of necessary procedural, organizational and legal changes.
- Harmonization of data.
- Reluctance to changes by some lower level officials.

## **Future Plans**

As already stated before, the future plans include development of modules for electronic submission and processing of the transit customs declarations and TIR documents, as well as inclusion of other licensing procedures. The future plans also include integration of EXIM with the System for Integrated Border Management and the Customs Declaration Processing System - CDPS.

Macedonia pays significant attention to all initiatives and events regarding regional single window. Data that have already been standardized are also harmonized according to the WCO Data Model. However, future regional developments in this area will depend on the willingness and readiness of other countries in the region to pursue such initiatives.

Macedonia values the importance of regional exchange of data and it is willing to enter into such agreements as soon as all legal and technical conditions are met.

## **Further Information**

Website: [www.exim.gov.mk](http://www.exim.gov.mk)

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