**Optional Electronic Link**

**Technical Options**

The World Bank calculates the economic loss from export delays at approximately 1 percent of trade for each extra day of trade processing. The cost is even higher for perishable agricultural products at nearly 3 percent each day. In addition, each extra signature an exporter is required to collect reduces trade by 4.2 percent. From this data we can conclude that IDB member countries currently face losses of between 32.2 and 67.7 percent of their trade value, these losses that can be minimized and/or eliminated with the implementation of better coordinated border management. [[1]](#footnote-1)

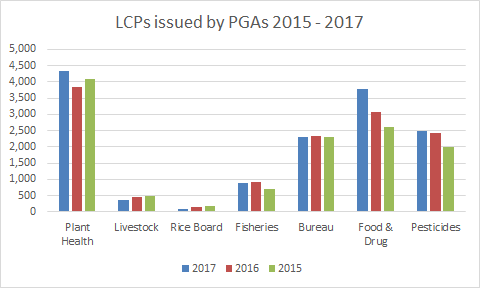
Information and documentation are key elements in the control of international cross-border trade. Exchange of data electronically is the key to trade facilitation and an efficient trade environment. Such exchange of data can be between B2B (business-to-business), B2G (business-to-government, including customs and other competent authorities involved in the import and export of goods) and G2G (government-to government). It is estimated that an average international trade transaction involves 27-30 different parties (seller, buyer, carrier, freight forwarder, customs, customs brokers, banks, etc), some 40 documents (purchase order, bill-of-lading, invoice, packing list, trade declaration, etc.) with 200 data elements. Among the data elements, about 30 of them are repeated and 60-70 percent is rekeyed into the computer system at least once. Hence, the electronic exchange of trade-related documents over a secured and safe environment is essential to efficient international trade and logistics.[[2]](#footnote-2)

The United Nations defines an ESW as a facility that allows parties involved in trade and transport to lodge standardized information and documents with a single-entry point to fulfill all import, export, and transit-related regulatory requirements. In practical terms, the single window aims to expedite and simplify information flows between trade and government and bring meaningful gains to all parties involved in cross-border trade. The single window is generally managed centrally by a lead agency, enabling the appropriate governmental authorities and agencies to receive or have access to the information relevant for their purpose.[[3]](#footnote-3)

As indicated in the POD, there are many countries that have benefitted from an ESW. The Korea Customs Service estimates that the introduction of its single-window system brought $18 million in benefits in 2010, part of the overall economic benefits that year of as much as $3.47 billion from the agency’s trade facilitation efforts. Likewise, an ESW in Singapore led to productivity gains; the ESW now handles more than 30,000 declarations a day, processes 99% of permits in 10 minutes and receives all collections through interbank deductions.[[4]](#footnote-4) Japan introduced an ESW in 2003 and according to the government this has reduced cargo processing times by about half from 25.7 hours in 2001 to only 13.4 hours in 2012.[[5]](#footnote-5)

The implementation of the ESW will drastically simplify and streamline import and export regulations by enhancing inter-agency collaboration, streamlining procedures and harmonizing data requirements and documents. Furthermore, the ESW would align Guyana with international best practices and commitments under the World Trade Organization (WTO) Trade Facilitation Agreement (TFA).

In 2017, the Customs & Trade Administration processed a total of 10,270 manifests (sea and air) and 60,080 customs declarations (78% imports and 22% exports). Overall, in 2017 the Partner Government Agencies (PGAs) produced more than 19,000 licenses, certificates and permits (LCPs)in 2017 which represents a 10.1% increase over 2016 and a 20.3% increase over 2015. Furthermore, and although the volume of customs declarations has remained stable the number of containers arriving to Guyana has increased more than 20% in the last 3 years from a total of 37,112 in 2015 to 44,947 and 46,170 in 2017 and 2016 respectively.



See tables below for:

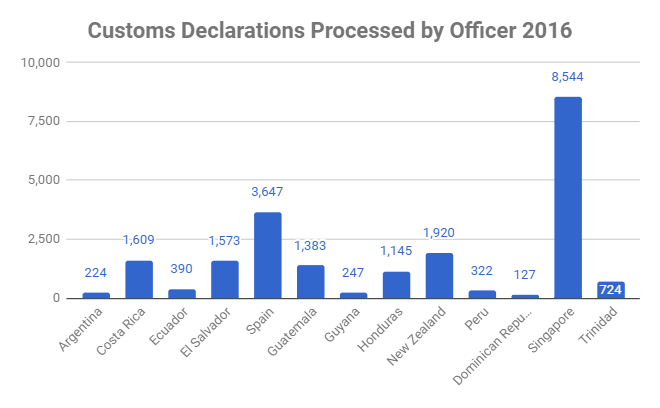
* Current processing times of each PGA and estimated time saving with an ESW.
* Productivity of customs administration in terms declarations processed per officer.
* Main lines of action included in this project.

**Table 1: Current processing times for LCPs and estimated savings after ESW**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Government Agencies that issue Licenses, Certificates or Permits for imports/exports | Average Length of an Application | | | Average No. of Steps for an application | | |
| By Agency **(Days)** | | | By Agency **(Steps)** | | |
| AS-IS | TO-BE | % Estimated Reduction | AS-IS | TO-BE | % Estimated Reduction |
| Guyana Geology and Mines Commission (Ministry of Natural Resources) | 3 | 1 | 67% | 16 | 5 | 69% |
| Guyana Revenue Authority (GRA) | 2 | 1 | 50% | 5 | 3 | 40% |
| Department of Commerce (Ministry of Business) | 3 | 2 | 67% | 8 | 4 | 50% |
| Guyana Food and Drug Department (Ministry of Health) | 4 | 1 | 75% | 12 | 5 | 58% |
| Guyana Forestry Commission (Ministry of Natural Resources) | 3 | 2 | 67% | 10 | 5 | 50% |
| Guyana Energy Agency (Ministry of Public Infrastructure) | 1 | 1 | 0% | 12 | 4 | 67% |
| Guyana Rice Development Board (Ministry of Agriculture) | 1 | 1 | 0% | 7 | 3 | 57% |
| Guyana Sugar Corporation (Ministry of Agriculture) | 2 | 1 | 50% | 5 | 2 | 60% |
| Guyana Gold Board (Ministry of Natural Resources) | 3 | 2 | 67% | 6 | 2 | 67% |
| Pesticides and Toxic Chemicals Control Board (Ministry of Agriculture) | 1 | 1 | 0% | 11 | 4 | 64% |
| National Agriculture Research Extension and Institute (Ministry of Agriculture) | 4 | 2 | 75% | 7 | 3 | 57% |
| Guyana Fisheries Department (Ministry of Agriculture) | 2 | 1 | 50% | 12 | 4 | 67% |
| Guyana Livestock Development Authority (Ministry of Agriculture) | 4 | 1 | 75% | 8 | 4 | 50% |
| **ESTIMATED OVERALL REDUCTION** | **49%** | | | **58%** | | |

Source: Customs & Trade Administration – Guyana Revenue Authority, 2018

**Table 2. Customs Declarations Processed by Officer in 2016**



**Table 3. Main Lines of Action**

|  |  |  |  |
| --- | --- | --- | --- |
| **Problem** | **Contributing Factor(s)** | **Impact** | **Proposed Intervention** |
| Redundant processes, duplication of forms and requirements to import and export, and reliance on paper documents. | Outdated procedures that were designed from the point of the view of the government agency with little regard for the user of the service. | Increased transaction costs and time for trade operators. | Complete business process reengineering to harmonize documents and streamline processes. |
| High rate of physical inspection with limited results and detections. | Absence of a modern risk management system. | Increased transaction costs and lengthy processing time for traders. | Implement a robust risk management system based on international best practices. |
| Limited use of IT systems and online services to process imports and exports. | Lack of financial resources to enhance internet access and purchase IT equipment. | Increased transaction costs and lengthy processing time for traders. | Fund the acquisition of IT equipment and expand internet access in selected government agencies. |
| Low level of computer literacy skills among human resources. | Inadequate training program and outdated human resource policies. | Increased transaction costs and lengthy processing time for traders. | Capacity building program to increase computer skills. |
| Human resources lack technical skills to process imports and exports applying international best practices. | Inadequate training program and outdated human resource policies. | Increased transaction costs and lengthy processing time for traders. | Capacity building program to develop necessary skills. |

The technical solution proposed for this project is based on the development of a cloud based ESW that interoperates with Asycuda (the IT management system for the Customs & Trade Administration).

Asycuda will remain the main entry point for processing cargo manifests, as well as import, transit (if any), and export declarations.

The ESW will be the entry point for all LCPs and the interface that will capture and share relevant data for the PGAs during the clearance process for all imports and exports. Both systems, Asycuda and the ESW, will automatically display all information needed to make effective decisions in real time.

The proposed solution is based on the following three components:

* 1. **Component 1: Modernization of the regulatory environment.** The objective of this component is to set the foundation for the development of a fully-fledged single window environment in Guyana by streamlining processes, harmonizing documents and data requirements. The specific activities to be financed under this component are the following:
     + **Regulatory review.** This activity will take inputs from the Business Process Reengineering activity through the analysis of the trade-related regulatory framework of Guyana to identify inconsistencies, outdated regulations, and propose recommendations for improvement in line with international best practices. The regulatory review will draft legislative briefs for approval by the respective ministries and government agencies.
  2. **Component 2: Design and Deployment of Guyana’s ESW.** The objective of this component is the develop design and deployment of Guyana’s ESW infrastructure. The specific activities to be financed under this component are the following:
     + **Business process reengineering**. This activity includes: (i) mapping all processes related to imports and exports of all participating agencies to identify bottlenecks and opportunities for improvement; (ii) reengineering of processes based on international best practices, development of new recommended Standard Operating Procedures and an associated migration strategy; (iii) harmonization of data elements and simplification of documents in line with UN/CEFACT Recommendation 34. The BPR will provide key inputs to design the new workflows and processes under the ESW. It will also underpin new organisational structures and HR policies in the various PGAs as further described below.
     + **Development of a cloud-based license, certificate and permits (LCPs) module.** This module will serve as the single-entry point and management system for all LCPs issued by the participating agencies for imports and exports. It is anticipated that traders will be able to obtain online, as a minimum, the following LCPs: health and phytosanitary certificates, and all import and export licenses and permits issued by the participating agencies. It is expected that this module will also serve as a document management system for all agencies involved in trade and a platform for sharing LCPs with relevant government agencies. Additionally, the LCP module will use natural language processing technology to serve as a Trade Information Portal and easily identify all LCPs associated to any commodity, and support HS classification (non-binding suggestions).
     + **Development of an inter-agency goods declaration module**. This module will interoperate with ASYCUDA and the LCP module in real time to provide selected customs declaration data to the relevant government agencies for processing imports and exports. Through this module, government officers from the participating agencies will be able to release, query, hold or reject import and export operations in an online environment providing full transparency to all parties involved in the process.
     + **Development of an integrated risk management system.** This activity will develop an Integrated Risk Management System (IRMS) for the participating agencies in conformance with the World Customs Organization Risk Management Compendium as well as the Kyoto Convention guidelines. The system will provide seamless interoperability and compatibility with the LCP and GD modules as well as ASYCUDA. It is expected that this system will drastically enhance border security and facilitate trade by identifying high risk cargo while expediting the release of low risk and legitimate trade. It is anticipated that the IRMS will also include, as a minimum, the following features:
       1. a sophisticated risk rule engine for all participating agencies with, at least, deductive and inductive risk criteria to differentiate between low risk and high risk cargo;
       2. post clearance audit tool with a powerful data analytics and visualization engine that will aggregate, search and analyze data from disparate databases to optimize revenue collection and identify malpractices;
       3. a GPS tracking system for containers and cargo released to the importer premises for physical inspection. This system will enhance the visibility and security of goods in transit.
     + **Enhancement of IT infrastructure and internet access.** The program will fund the acquisition of: i) basic IT equipment to facilitate the migration to a paperless environment and the use of the single window system; ii) enhanced internet connectivity for those government agencies with a deficient IT infrastructure to facilitate and incentivize the adoption of the single window.
  3. **Component 3: Institutional Strengthening for ESW Stakeholders.** This component will: i) modernize the institutional capacity and human resource policies of the participating agencies; and ii) provide a robust capacity building program for the future users of the ESW in the private and public participating agencies. This component will be divided in four main activities:
     + **Institutional strengthening.** The implementation of an ESW requires enhanced and modern institutions. Therefore, this activity will: i) analyze the current organizational structures and human resource policies; and ii) propose reforms in line with international best practices. It is anticipated that this activity will produce: i) recommendations for updated organizational structures, and ii) new human resource strategy with detailed recruitment mechanisms, job descriptions, roles and responsibilities, and revised compensation packages.
     + **Strengthening the IT department of Customs.** This activity will hire two IT specialists to help build strong in-house capacity to effectively manage the single window. The objective is to progressively shift responsibility for the support and maintenance of the single window from the contractors to Customs’ own personnel.
     + **Development of a comprehensive training program for government officers** in operating an ESW including but not limited to: i) border operations, valuation, classification of goods using the harmonized system, risk management, post audits and rules of origin; and ii) basic computer skills and literacy. Finally, it is anticipated that three study tours to relevant jurisdictions will take place to show the benefits and challenges of similar single window environments to key government officials. To implement this capacity building activity, the Bank will partner with the World Customs Organization to design and implement a comprehensive training program related to topics that are essential for the adequate implementation of the single window[[6]](#footnote-6). Additionally, all service providers will be required to provide a comprehensive capacity building program using the train-the-trainer methodology coupled with a robust transfer knowledge strategy.
     + **Development of a comprehensive training program for private sector companies and customs brokers to use the ESW**. This program will consist of multiple workshops and sessions throughout the implementation of the project to ensure and facilitate the acceptance and use of the ESW. All single window related workshops will be provided by the World Customs Organization.

1. https://publications.iadb.org/bitstream/handle/11319/5223/Interoperability%20at%20the%20Border%20-%20Coordinated%20Border%20Management%20Best%20Practices%20%26%20Case%20Studies%20%20%20%20.pdf?sequence=1&isAllowed=y [↑](#footnote-ref-1)
2. https://publications.iadb.org/bitstream/handle/11319/5224/Electronic%20Single%20Window%20.pdf?sequence=1&isAllowed=y [↑](#footnote-ref-2)
3. <https://idbg.sharepoint.com/teams/ez-> VPS/Pub/IDBPub/Corporate%20Publications%20Public%20Access/Electronic%20Single%20Window%20[36338531].PDF [↑](#footnote-ref-3)
4. http://www.doingbusiness.org/data/exploretopics/trading-across-borders/good-practices [↑](#footnote-ref-4)
5. https://www.apec.org/Press/Features/2014/0220\_window.aspx [↑](#footnote-ref-5)
6. The IDB and the WCO signed a Memorandum of Understanding in 2001 to jointly conduct capacity building activities and facilitate trade. The MOU is available [here](http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=37802359). [↑](#footnote-ref-6)