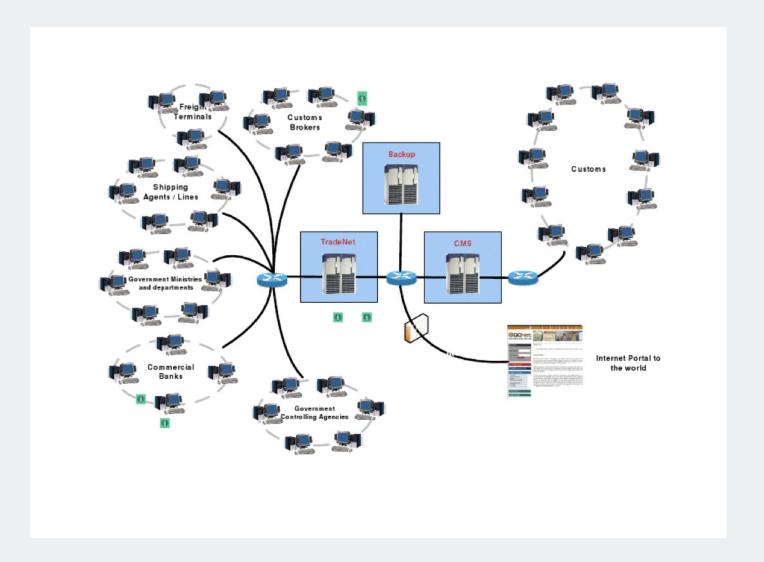# Single Window Implementation in Mozambique

Mozambique's Single Window was launched in 2011, providing a centralized platform to streamline and simplify the operation of customs and other government agencies involved in border control. Implementation was not easy. Mozambique had to overcome infrastructure weaknesses at land borders in remote areas and resistance from certain stakeholders. Today, the system is able to handle up to 400,000 customs declarations per year, or about 1,500 per day, bringing many benefits to both clients and participating agencies. The system is the subject of continuous improvement. Future plans include the incorporation of additional services and new features in relation to international data exchange.

Overview of Mozambique's Single Window

The Mozambique Single Window was designed to conform to international recommendations and standards. The design was based on the Singapore model, also deployed in Ghana and Madagascar. The system has two main components: Customs Management System (CMS), and TradeNet electronic data interchange.

High-Level Architecture of Mozambique's Single Window

CMS supports customs declarations, transit management, guarantees, customs valuations, collection of duties and fees, risk management, temporary imports/exports of vehicles, customs release, warehouse management, offence management, auction management, permit/license issuance, and port and freight terminal management. In addition to these core processes, CMS also facilitates data mining and the generation of trade statistics.

TradeNet provides the infrastructure that enables secure exchange and dissemination of data in variable formats though various communication protocols among multiple parties. These include government agencies involved in border control, port authorities, freight forwarders, customs brokers, container terminal operators, shipping agents/lines and commercial banks. Not all data are stored in TradeNet; some pass through it; some are stored in CMS.

Mozambique is a transit country to Swaziland, South Africa, Zimbabwe, Zambia and Malawi. Single Window has therefore been designed to enhance revenue collection by closing revenue leakage due to transit. Functionalities that have been incorporated into Single Window include:

> fully guaranteed management for transit goods;

> GPS tracking of consignments in transit;

> automatic detection of breaches in the consignment integrity along transit corridors;

> automatic detection of deviation from assigned transit corridors;

> closure of transit declarations upon exiting Mozambican territory; and

> automatic closure of transit guarantees.

Implementation of Mozambique's Single Window

Mozambique's Diagnostic Trade Integration Study conducted in 2004 noted the high transaction costs to traders resulting from delays, administrative burdens and corruption as the ma-

jor constraint to Mozambican cross-border trade. This made the government aware of the need to improve the use of technology to increase the efficiency of customs clearance processes, border management and the elimination of corruption.

A workshop on Best Practices in Information Technology and Trade Facilitation Systems held in Maputo in 2005, and study visits by the Customs Authority and Confederation of Economic Associations (CTA) to Mauritius and Ghana, offered a technological solution to the Government of Mozambique, i.e., a Single Electronic Window. As a result, a Memorandum of Understanding between the government and the CTA was established to implement the Single Electronic Window.

The creation of the Mozambique Community Network (MCNet) was an institutional mechanism that drove implementation of the Single Electronic Window. MCNet was established under a public/private partnership. It is 60% owned by the Escopil Internacional and the SGS Mozambique consortium, and 40% by the state and CTA, each with a 20% stake. It received a mandate from the government to implement, operate and ensure the sustainability of Mozambique's TradeNet, the Single Electronic Window programme for Trade.

CrimsonLogic is MCNet's strategic partner in developing and operating the Single Window in Mozambique. CrimsonLogic was chosen as a strategic partner through an international tender in 2009. CrimsonLogic started to implement the system in Mozambique in 2010 and launched it in 2011. It took approximately 14 months for the facility to become operational.

This implementation involved a full review of existing customs procedures, the elimination of inefficient and ineffective procedures, as well as the alignment of those procedures with the Revised Kyoto Convention and the agreement made under the Southern Africa Development Community (SADC). While the new procedures were the basis for optimizing the CMS, this optimization yielded a comprehensive and robust customs automation system that served as the foundation for building a nationwide Single Window.

The implementation of Mozambique's Single Window involved changes to daily procedures. Therefore a change-management programme was installed to prepare stakeholders both technically and mentally for the new system. Briefing sessions were

conducted to inform stakeholders of the imminent changes and their benefits. Training was provided in a number of ways and with different formats. Customs officials were trained using a "train-the-trainer" approach over a period of 12 months. Other users, including freight forwarders, commercial banks, port authorities and customs brokers attended free specialized training courses over a period of 12 to 18 months. In addition, major stakeholders were kept up-to-date on implementation progress throughout the implementation lifespan.

Legislation was passed to enable the electronic submission of customs declarations and completion of processes related to border control. A legal framework on data security and data privacy was established to support secured data exchange. Data protection and data integrity have also been enhanced at the operational level. These range from restricted access to the system via user access rights, confidentiality agreements and user service agreements to restricted access to server rooms, high security firewalls and data encryption.

Customer service is a priority for the MCNet Single Window. To ensure first class service, MCNet also provides a call centre for offsite support and teams of technical support for onsite support.

Costs of Implementation and Operation

The initial investment cost of establishing the system was USD 15 million, allocated as follows:

> 20% for improving existing building infrastructure;

> 15% for IT equipment and communication network;

> 20% for master servers for testing and disaster recovery;

> 25% for additional support and logistics equipment; and

> 20% for software base-lining and adjustments.

On-going costs related to the operation and maintenance of the systems, data and communication networks, call centre operations, technical support, and staff and stakeholder training have been financed through a network charge levied on Customs declarations processed by the system.

Benefits of Mozambique's Single Window

The use of Mozambique's Single Window is obligatory. The system was set up to handle approximately 400,000 customs declarations per year with up to 1,500 per day. There are many benefits to the clients and participating agencies:

> For the importer/exporter: faster clearance times (reduced from 3 days to a few hours), a more transparent process, a more predictable process and less bureaucracy.

> For Customs: improved staff productivity through the upgraded infrastructure, increase in customs revenue, a more structured and controlled working environment, and enhanced professionalism.

> Commercial banks: increase in customers, increased amount of funds passing through bank operations, collection of dividends from MCNet operations.

> Government: a substantial increase in government revenue, the ability to demonstrate best practice in the region, and recognition by donors.

> Economy: improved transparency and governance in Customs.

Lessons Learned

To implement the Single Window, Mozambique had to overcome infrastructure weaknesses at land borders in remote areas. Support from the government and ultimately Customs was crucial. Huge efforts were made to break resistance from certain stakeholders as well as to ensure that all stakeholders were ready to adapt to the new processes and operational environment that the Single Window required. This involved awareness raising, training and capacity building programmes.

There is no easy or quick solution to implementing a Single Window. Time and resources are required for a full understanding of the methods and processes involved in the particular location where the system will be put in place. To roll out a complex system, the right capabilities and approaches must be adopted.

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