

WTO Trade Facilitation Committee

SINGLE WINDOW IMPLEMENTATION IN BRAZIL

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The single window is a key disposition of the Trade Facilitation Agreement. It not only provides one focus point for the trade community, as it also allows for a smooth implementation of other trade facilitation tools. In the Brazilian trade facilitation policy, the new single window project has an essential role. It provides the basic framework for the fulfillment of other TFA commitments, such as the use of risk management, pre-arrival processing, publication of release times, border agency cooperation and the review of formalities and documentation requirements. The objective here is to present the Brazilian strategy of employing the single window as a catalyzer for deeper trade facilitation reforms.

In the 1990s, Brazil was on a process of reopening itself to trade after decades. Until then, an authorization by an official authority would be required for every import. The construction of an electronic national single window – the Siscomex (Integrated Foreign Trade System) was part of this process. Therefore, Brazil can be considered a pioneer in the implementation of this particular measure, having SISCOMEX Exports implemented in 1993 and Siscomex Imports in 1997. All the governmental agencies that intervene on foreign trade operations were supposed to exclusively use the single window to process their import and export requirements and formalities.

SISCOMEX provided major improvements using automation and information technologies. It has been tremendously effective as a customs system. However, it did not keep up to its promises as a single window. Although the trade policy was changed in the early 1990s, the bureaucratic requirements were fundamentally not. SISCOMEX automated old paper forms and declarations without reviewing the requirements. In the following years, the complexity of foreign trade, the volume of goods exchanged and the number of agencies intervening on it raised considerably. Themes such as food safety, consumer's rights and environmental concerns gained consistently priority on the global agenda. Internally, they also generated a reorganization of governmental institutions and a new policy regarding trade controls. Those trade controls were implemented under SISCOMEX, but, to fulfill them, usually additional data from the trade operator was required. Therefore, different agencies implemented parallel systems or paper forms to collect this data and, occasionally, fees related to the analysis of the operation. The lack of coordination for the implementation of these additional controls, not initially contemplated by SISCOMEX, generated a confusing situation, where different systems had to be accessed and data was repeatedly entered, in a burdensome and ineffective process.

A first option would be to implement gradual improvements on Siscomex and on trade regulations to solve the problem. Despite the many reforms preformed on the System, its outdated architecture and increasing complexity became serious obstacles to reforms. Siscomex was designed to serve old regulations and afterwards these regulations could not be adequately update because the System could not be conformed to new

procedures and requirements. Brazil had to find a way to break with this cycle of inefficiency. A completely new effort would be necessary.

The simple construction of a new system to replace the old Siscomex would not suffice. First, it would be necessary to employ business processes modelling methods to redesign the way Brazilian government deals with foreign trade operations. New systems and regulations would then be based on new working processes.

To implement this essential first step, the whole trade community should be involved. The concerns of every different stakeholder should be considered for an optimum result. It is a challenge to put representatives of many diverse interests around the same table to jointly design processes that would fit everybody's needs. Brazil was very fortunate to already have in place a private movement with this objective – the Procomex Alliance. The Alliance, integrated by 80 entities, with representatives from traders, customs brokers, airports, ports, freight forwarders, maritime companies, express delivery companies, IT service providers, among others, has brought a methodology that paved the way for a public-private joint work focused on the improvement of the management of foreign trade flows.

In 2011, Procomex Alliance started to map all foreign trade process, with the participation of all actors from the private sector (exporters, importers, trading companies, custom brokers, cargo agents, transporters, among others). Different governmental agencies were invited according to the process being mapped. Cooperation agreements signed with both administrators of Siscomex – Customs and Foreign Trade Department – and lately with other border agencies allowed for a consistent structure to promote the reengineering of trade processes. Using Kaizen methodology, more than 1300 professionals representing more than 390 companies and associations, as well as 220 public servants from eleven different governmental agencies have developed the “as is” maps of the processes and a projection of what would be desired, or the “to be” maps. Over 120 maps have been designed.

Bringing together all the actors that participate in an export or import operation in a neutral environment to map the process was the first right move. When each person in the room realized she did not know in detail the whole process, there was a perceptible change in her willingness to better understand it, and to identify ways to improve it. People moved from a reactive to a pro-active position, and consolidated resistances to changes were, in a subtle and consistent way, replaced by the will to contribute to a better way of doing things. Public officials could assess the impact of their requirements on the work of brokers, ship cargos, exporters, importers and so on. On the other hand, those actors also started to understand why some controls and information requirements were necessary.

Finally, in 2014, shortly after the conclusion of the WTO Trade Facilitation Agreement, Brazil launched its new Foreign Trade Single Window Program – Programa Portal Único de Comércio Exterior. The mapping work done with Procomex Alliance would be the basis for an ambitious proposal of reengineering the process and the system for registration and control of trade operations. The assurance gave by the President's Cabinet that the government was committed to review the whole process and to implement changes in the system accordingly gave all the participants the feeling they could freely propose solutions for the bottlenecks identified.

Therefore, solutions that would, before the Program, be discharged as unrealistic, were commonly appointed by the participants as the most reasonable thing to do. One

prominent example was the adoption of joint physical inspections at the border in the new processes of exports and imports controls that emerged from this exercise.

As in every long process of change, there were moments of more or less enthusiasm, with different proportions of reluctance and willingness among the participants and the supporters. The highest political commitment was essential to keep the engagement and the pressure for gradual and concrete results. The perception of a win-win situation among the public officials also helped moving the project forward. It became clear that the new process supported by the new system would minimize their bureaucratic work and give them the right set of tools to focus on high-risk operations. The importance of their daily work was therefore not only recognized but also strengthened by a new approach and new forms of cooperation with other border agencies.

Of utmost importance for this successful experience was finding solutions that would meet the concerns of all the stakeholders. As an example, the SISCOMEX data requirements were based on previous standard paper forms designed for imports and exports authorizations and customs clearance. The information provided in these documents were mostly insufficient for controls performed by agencies other than customs. For the Portal Único, a solution was developed for the creation of electronic forms, that could be customized according to the information requirements of the different agencies, but with data harmonized according to the WCO Data Model. This greatly simplified applications for licenses, certificates and other trade documents allowed for these documents to be automatically linked to the corresponding customs declarations.

Another interesting feature of the Brazilian new system is a catalogue of import goods. The catalogue consists in a tool where the company uploads the technical description of its product and refers to it in every trade operation. If it is a product that should be subjected to any agency control, the agency can analyze it only once, and the customs official will certify (also in post clearance audits) that the product entering the country is the one described in the catalogue. This information is also very useful for risk management, since there is a greater knowledge regarding continuous imports of the same product.

This kind of solution reinforces each agency's ability to pursue its aim, while reducing shadow areas where there may be conflicts between their competencies. Brazil has noted with its experience on redesigning the Single Window that some effects of trade facilitation policies, such as reinforcing the importance of the work of the officials at the border, as well as building trust among border agencies, may be a transformative example of how to design and implement public policies for other areas as well.

Brazil is convinced that the collaborative atmosphere created by the fruitful experience of reforming its import and export formalities and requirements and rebuilding its single window system will continue to spread its benefits to other projects in this area. The model of partnership between public and private sectors developed for building the single window is being consolidated by the National Committee on Trade Facilitation.

The cooperation among the border agencies is a key factor for increasing predictability and reducing time and costs associated to moving goods across borders. The benefits are already being noticed. Having finished the transition of export operations to the new single window last August, the average export time has already been reduced from 13 to 9 days (maritime). As companies and agencies adapt, this will be further

improved. The implementation of the new single window for imports is beginning with a pilot this October with the aim of reducing the time for processing imports from 17 to 10 days.

Brazil is confident that implementing trade facilitation policies is highly beneficial for the economic environment. In this sense, the exchange of experience within the Committee of Trade Facilitation is an interesting way to bring to light ways of overcoming the difficulties the Members may face to transform its multilateral commitments into real policies that have a positive impact on businesses.