



Governance Mechanism of the National Single Window for Sri Lanka

Sri Lanka is committed to create a National Single Window (NSW) as a national priority, with the support from the highest levels in the government and the private sector. At this point in time, Sri Lanka is at the very beginning of the project life cycle in the establishment of a NSW. An NSW will allow businesses to lodge information and documents with a single-entry point, and to fulfil all import, export, and transit-related regulatory requirements. The implementation of the NSW is also a legal obligation under the World Trade Organisation's (WTO) Trade Facilitation Agreement (TFA), which Sri Lanka has ratified to improve its business competitiveness.

Under the EU-Sri Lanka Trade-Related Assistance project, funded by the European Union (EU), and implemented by the International Trade Centre (ITC), in collaboration with Government of Sri Lanka (GOSL), ITC together with the Institute of Policy Studies of Sri Lanka (IPS) organised four public-private consultations (PPCs) to foster stakeholder discussion on functionality, governance, operator, and implementation of the NSW. The second PPC discussed the governance mechanism based on a discussion paper on the same, with public and private stakeholders. This policy brief summarises the discussion paper and proceedings from the PPC.

The governance mechanism in a NSW refers to the entity with the authority to define and implement the policy, actions and, in general, rule the affairs of a NSW. Where the mechanism in charge of governance will set out rules and objectives, the actors in charge of the operational management (i.e. the developer and the

operator) will implement these rules and manage the daily aspects of the NSW. In other words, the responsibilities of the developer and operator rest in achieving the objectives set by the governance mechanism within the organisational

framework given.

Evolving Responsibilities of a Governance Mechanism

The implementation and operations of a NSW includes three main phases: the building and implementation phase, the

Table 1 Key Responsibilities during Development Stage

Level 1: Strategic	Build political momentum to obtain overall support for the NSW development
	Define and communicate policy options for development and operation of the NSW (e.g. list of services rendered, conditions for usage, key financial decisions, KPIs, etc.)
	Define and agree the financial model for the development and operation of the NSW
	Facilitate the consultation of public and private stakeholders
Level 2: Development	Define an implementation work plan
	Draft, propose and review laws and regulations
	Review procedures and define amendments where required
	Decide IT standards for information exchange
	Define the modalities for and oversee procurement processes
Level 3: Coordination	Coordinate with government agencies and the developer
	Monitor the implementation of the NSW work plan
	Regularly inform all stakeholders and GOSL on progress

Table 2 Key Responsibilities during Operation Stage

Level 1: Strategic	Take appropriate decisions if major operational or structural weaknesses appear
	Consider measures to maximize the use of the NSW (e.g. communication, publicity, etc.)
	Decide the future of the NSW based on potential extension of services
	Establish KPIs and evaluate regularly
Level 2: Monitoring	Analyse and discuss regular reports provided by the operator
	Stakeholder consultations and updates
	Close communications with operational level management
Level 3: Reporting	Receive, analyse, discuss, and act on reports provided by the operator
	Prepare reports to GOSL and public on NSW
	Evaluate and help evolve reporting procedures
Level 4: Coordination	Provide the necessary internal coordination with different government institutions
	Provide necessary external coordination with GOSL and potential new users from public and private sector

operations phase, and the pilot phase. As the NSW process develops over time, the responsibilities of the governance mechanism tend to evolve as well.

The governance level will have a primary role during the NSW building phase because many important issues (i.e. legal, organisational, procedural, technical) will need to be discussed and decided upon in order to finalise the specifications and guidelines for the NSW-(Table 1). The governance level will also have a key role in steering, monitoring and addressing the concrete challenges faced during the construction, installation and piloting of the NSW facility to ensure that policy objectives and users expectations are appropriately met.

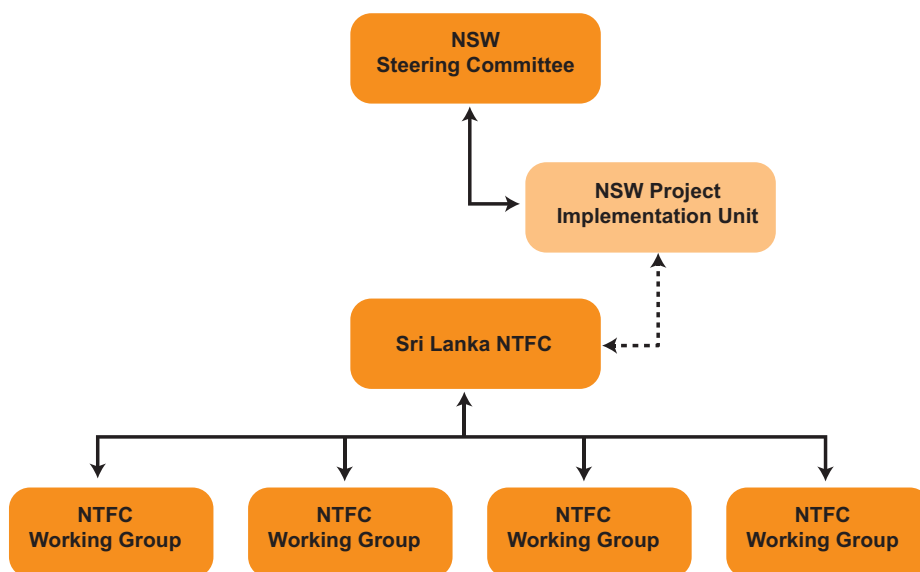
In the operational phase, the responsibilities at the governance level will rest in providing guidance and oversight to the operator (together with possible tasks related to preparation for further evolutions of the NSW-(Table 1)

Current Institutional Framework of the TFA implementation in Sri Lanka

As required by the WTO TFA, the National Trade Facilitation Committee (NTFC) was established in June 2014 and formalised in April 2016. The NTFC is chaired by the Director-General of Sri Lanka Customs and co-chaired by the Director-General of the Department of Commerce (DoC). The NTFC is composed of 16 government regulatory border agencies and seven Chambers of Commerce and Industries representing the private sector. In addition to the members, each agency has nominated technical focal persons to coordinate with the NTFC on technical matters. The NTFC reports to Cabinet through the Ministry of Development Strategies and International Trade (MoDSIT).

For the building and implementation phase of the NSW, Sri Lanka has agreed to establish a High-level Steering Committee consisting of Secretaries of the Ministry of Finance, MODSIT, Ministry of Trade and Commerce and Treasury (Figure 1). The Steering Committee will have the authority to 'direct, guide, influence and shape' the development and implementation of NSW in Sri Lanka. Other key policy making authorities may be added

Figure 1 Governance Mechanism for the Building and Implementation Phase of the NSW



to the Committee from time to time.

The Steering Committee will be able to deal with any urgent issues including the design, inter-agency cooperation, etc. to reduce any potential delays, which may be encountered in the NSW implementation. This Steering Committee would wind up at the end of the build and implementation phase of NSW together with the NSW Implementation Project Unit. At that time of the operation of the NSW phase, the governance role would be taken over by permanent NSW Governance mechanism.

Recommendations during Public-Private Consultations

Wide preference by public and private sector participants at the second PPC was to establish a two-level governance mechanism composed of a Steering Committee and a Project Implementation Unit (PIU), supported by the NTFC during the build and implementation phase of NSW.

This proposed governance mechanism would ensure improved coordination and consensus -building on technical recommendations through the involvement of NTFC and its working groups in the build and implementation phase.

It would also allow for continuous coordination, information-sharing and monitoring of implementation progress through the PIU. Finally, the establishment of such a governance mechanism is simpli-

fied as it can partially rely on the NTFC institutional framework and would avoid any overlap or duplication of work between the two bodies (i.e. NSW Steering Committee and NTFC).

It was noted that the NSW should be a government led project and its development and implementation costs should be borne by the government given in that it would enable the government to improve the delivery of its services.

However, the private sector is willing to pay for the service if NSW provides a benefit for the business in terms of facilitating trade and reducing trading costs. Overall, the development of the NSW should be considered a priority activity and it is imperative that the necessary political will is showcased.

This Policy Insight is based on a PPC and background paper prepared by Frank Janssen, ITC Consultant, and Janaka Wijayasiri, Kithmina Hewage and Nuwanthi Senaratne of IPS with inputs from Pierre Bonthonneau and Eleonora Salluzzi of ITC. The second PPC was held on 24 May, 2018 in Colombo.


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