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# SmartLessons

*real experiences, real development*

## PortNet in Morocco: Creating a Strategic Alliance between Port and Foreign Trade Communities for a Competitive Economic Operator

*In 2008, Morocco's National Ports Agency launched a project to create a national single-window platform for Morocco's foreign trade. The process was long and difficult, and its success is owing in large part to the leadership and focus demonstrated by PORTNET S.A., the company created in 2012 to be in charge of the project. The SmartLesson below describes the steps PORTNET took to forge a strategic alliance between public and private stakeholders in Morocco to achieve a common, mutually beneficial aim: streamline Morocco's foreign trade procedures and improve its business climate.*

### BACKGROUND

Morocco's National Port Authority (ANP) created PortNet as a port community system<sup>1</sup> with a mandate to bring all relevant stakeholders together. Since its creation in 2012, PORTNET S.A.<sup>2</sup> has had responsibility for the implementation of a national single window to facilitate all port and trade procedures. Key elements of PORTNET's mission are as follows:

- Increase the efficiency of logistics chains of economic operators and public and private service providers;

- Accelerate cross-border transit of import and export goods;
- Establish a propitious environment for the competitiveness of economic operators with the opportunity to work on a just-in-time basis;
- Reduce uncertainty of processing time and logistics costs;
- Improve the business climate, promote good governance, and increase transparency in the relationship between government and businesses;
- Simplify and accelerate procedures and formalities for the entry or exit of goods;
- Improve the traceability of operations and information flows.

<sup>1</sup> A port community system is an electronic platform that connects multiple systems operated by a variety of organizations that make up a seaport or airport community. It is shared in the sense that it is set up, organized, and used by firms in the same sector—in this case, a port community.

<sup>2</sup> S.A. = Société Anonyme, which translates as *limited company*.

The PortNet platform has been operational at Casablanca port since march

2011 and was extended in 2012 to all of the country's commercial ports that are managed by the ANP. This move toward a paperless-port strategy also applied to all other members of the port community: the National Ports Agency, Customs Authority, Revenue Authority, customs operators, and handling and shipping agents. It allowed communication and exchange of various documents and information<sup>3</sup> electronically between all players via a single channel.

In the first phase of its operationalization, PortNet significantly contributed to the decrease in delays and in transit time and costs with its move toward a paperless environment, simplification of procedures, and traceability offered by the use of the platform. In its second phase, the deployment of PortNet also provided the opportunity for coordinated joint inspections and control with various control agencies, customs inspectors, customs brokers, and approved forwarding agents also connected to PortNet.

By end 2014, PortNet was in a third phase of its implementation, with a national rollout to include all actors in the foreign trade community. All key agencies such as customs, banks, the Ministry of Foreign Trade, the Exchange Office, and all importers were connected with PortNet, allowing import declarations to be processed several weeks before the arrival of goods. Since mid-2015, all import documents have been processed exclusively via PortNet, with more than 20,100 importers registered and more than 25,900 users.

By mid-2016, automation of the export license followed. To extend the coverage of PortNet to the air cargo community,<sup>4</sup> PORTNET S.A. signed a multilateral agreement with the air cargo community on May 23, 2016. During the same period, PORTNET S.A. started working with the community on implementing electronic payment on the PortNet platform.

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3 Such as forecasts of vessel calls (arrival notice), requests for the terminal position allocation (DAP), manifest transmission in import and export, scores on unloading and loading of containers, entries scores and output terminals and the port, ship movements, container's tracking, etc.

4 Members of the air cargo community include Minister of Equipment, Transportation and Logistics, National Airports Authority, Customs, Moroccan Agency for the Development of Logistics, Royal Air Maroc Cargo, and Confédération Générales des Entreprises du Maroc (CGEM).

Also, customs and control organisms involved in cargo inspection processes are exchanging results of control and inspections through PortNet. PortNet is considered a pioneer in implementing such processes. It also counts more than 26,600 users, including importers, exporters, shipping agents, customs, customs brokers, and banks.

## KEY LESSONS

### *Lesson 1: Ensure a strategic alliance.*

PORTNET is the result of the strategic alliance between port and foreign trade communities. It is a successful model for the national partnership between the public and private sectors, to work as a team to improve the business climate, and this is reflected in the public-private shareholding in the capital of PORTNET S.A. (See Figure 1.) The parties should learn to trust each other and give concessions, if needed, in the interest of their final clients, who are the economic operators.

PortNet is also a major partner of the National Business Environment Committee in facilitating the implementation of the reforms via PortNet. This committee is a public-private body chaired by the head of government whose mission is to coordinate the government's strategy for improving the business environment, including foreign trade procedures.

### *Lesson 2: Engage in effective change management.*

PortNet has maintained effective dialogue with all concerned parties in trade facilitation, especially businesses. This includes organizing awareness workshops on change management at the national level for thousands of operators, in collaboration with all stakeholders in the foreign trade community, as well as conducting customer-satisfaction surveys. These actions aim to enable users to learn quickly about the new services and features; ensure handling of essential functions, processes, and operational reality to user activity, based on the user's role; and reduce the load of support functions, such as helpdesk. PORTNET has put its customers at the heart of its concerns, and for each launch of new modules, it engages in collaborative activities to recruit pilot chains to ensure that the new service perfectly matches customer expectations.

Figure 1: PortNet and Its Partners



Source: PORTNET S.A.

### Lesson 3: Single-window governance arrangements should be effective, accountable, and transparent.

Governance arrangements for single-window systems encompass the relationships between the system's management and its governing body (such as a board of directors), its owners, and its other stakeholders. These arrangements provide the structure for how the system's overall objectives are set, how they are attained, and how performance is monitored. As single-window systems have the potential to affect the wider economic community, there is a need for effective, accountable, and transparent governance, whether the system is owned and operated by the government or by the private sector. An entity must be designated to be in charge of the oversight and supervision of the single-window system. Effective and transparent governance allows for alignment of the objectives of the system with the expectations of all stakeholders in the foreign trade community.

### Lesson 4: A single-window system should have objective and transparent criteria for participation.

The system should not be oriented to serve the interests of restricted communities. Access crite-

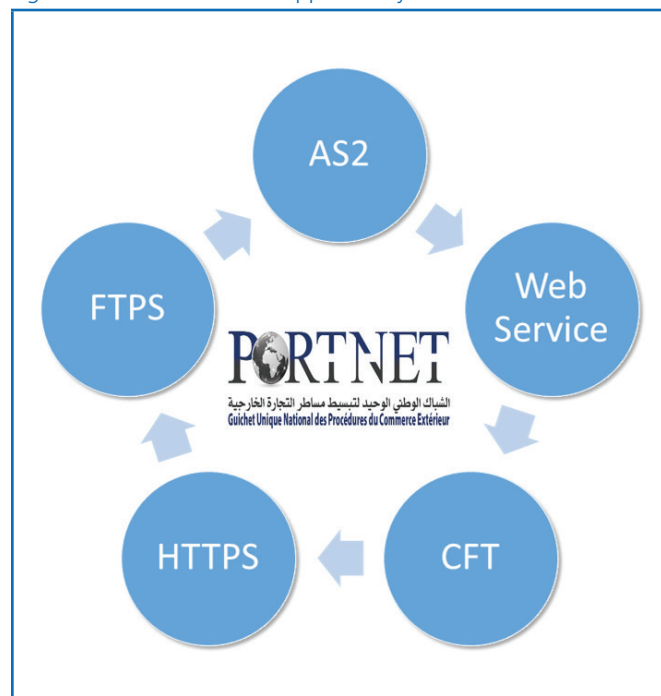
ria that encourage competition among stakeholders promote efficient and low-cost trade operations. This advantage, however, may need to be weighed against the need to protect systems and their participants from participation in the system by institutions that would expose them to excessive risks. Any restrictions on access should be objective and based on appropriate risk criteria. All access criteria should be stated explicitly and disclosed to interested parties.

With PortNet, we avoided a one-size-fits-all solution and also provided a low-cost community platform (Web platform). PortNet offers its partners and its customers' partners

the standard protocols used for electronic data interchange (EDI), whereby each party can opt for the protocol that best meets its needs and requirements. (See Figure 2.)

To integrate a partner into the PortNet system, our Infrastructure team plays the role of coordinator

Figure 2: Some Protocols Supported by PortNet



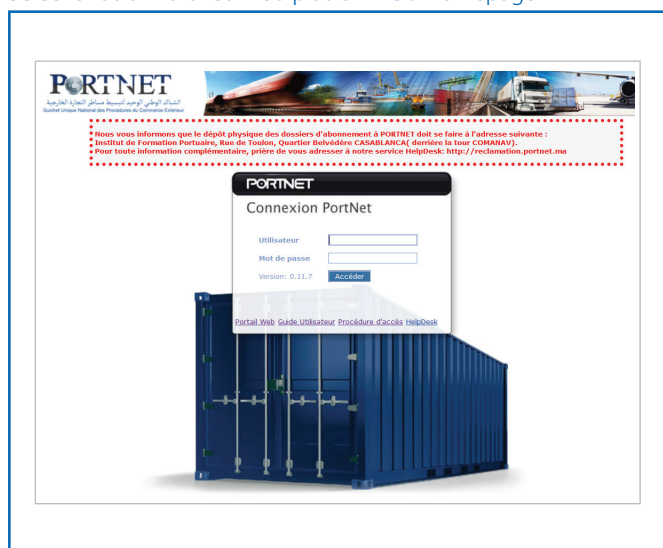
Source: PORTNET S.A.

to ensure a smooth, secure, and transparent integration. The first step is to decide on the protocol to be used, and then a series of parameters and bilateral workshops is triggered to activate the EDI exchange as soon as possible. Once the interconnection is activated, the preliminary and functional tests of sending/receiving messages are carried out in both directions.

Once the interconnection is operational, the two systems exchange in real time all the messages required for the management of import/export formalities of foreign trade.

Another solution implemented in the PortNet platform is the Web access: the Single Window (GU)<sup>5</sup> on the Web. This low-cost option is available to serve economic operators (such as small businesses) that do not wish to invest in an information technology (IT) system to exchange data with PortNet or for users that have only few operations that do not require an IT system. The GU offers exactly the same functionality as an EDI exchange between a company IT system and the PortNet platform. The Web access can also act as an alternative exchange platform in case of a communication issue with a given partner (for example, the server is inaccessible, there is a problem with sending/receiving, insufficient bandwidth, and so on). Then the user only needs to connect with its profile on the GU and proceed to the processing of the information in a simple and effective way.

Screenshot of PortNet Web platform GU homepage



Source: PORTNET S.A.

<sup>5</sup> GU = *Guichet Unique* (Single Window, in French).

## ***Lesson 5: All foreign trade operations must be traceable in terms of time and responsibility.***

The speed of transactions constitutes an essential criterion of the operation managed by the single-window system. The status of each operation must be clear and understandable by all stakeholders. The system should promptly provide the final and irreversible status of achievement of operations. The system should provide a means of performing operations that is practical for its users and efficient for the economy. Transaction costs must be mastered, because they have a direct impact on the price structure of all goods as well as on the competitiveness of operators.

In PortNet, there is real-time tracking of each operation from its beginning/creation to its end—who does what and when, no matter what user profile. This allows an absolute transparency of operations performed in the platform. It's also an effective way to empower all stakeholders and fight corruption.

## ***Lesson 6: Adopt a quick-wins methodology.***

Quick wins are very important for ensuring that the stakeholders sustain their commitment to and support for the project. When users see the benefits of a simple implementation or modification of the platform, then they become engaged and committed to make all their foreign trade operations a success through PortNet. They adopt the single window as if they owned it, and they support its continuous improvement. This is what happened with PortNet since its kickoff in 2011 with the foreign trade community.

## ***Lesson 7: Provide regular follow-up of the single window and community performance.***

During the project, key performance indicators of all the processes always should be available and updated, so all the stakeholders are able to identify constraints and good solutions for continuous improvement of the process.

Indicators for monitoring the activity and operations of international trade carried out on the PortNet platform are regularly produced. These are operational and interactive dashboards and reportings to detect the strengths, weaknesses,



Suivi de l'avis d'arrivée							
Liste des messages Avis d'Arrivée N° 268268							
N° d'échanges	Fonction	Nom Message	Etat	Date	Nom utilisateur	Commentaires ANP	Observations
1	Modifications internes		Nouveau	25/11/2016 08:24	umm		
2	Ajout message	<u>IFTMAN_89587</u>	Envoyé	25/11/2016 08:25	umm		
3	Acceptation	<u>IFTSTA_OUT437074</u>	Confirmé	25/11/2016 08:31	611TC3000100		ESCALE CRILLÉE
4	Acceptation	<u>IFTSTA_OUT437075</u>	Confirmé	25/11/2016 08:31	611SODE00100		ESCALE CRILLÉE
5	Acceptation	<u>IFTSTA_OUT437081</u>	Confirmé	25/11/2016 08:43	611AGEN00100	A.D RECU	
6	Refusé	<u>CUSRES_209702</u>	Refusé	25/11/2016 08:47	611ADII00100		Orçation voyage maritime avec succès.
7	Modifications internes		Modifié	30/11/2016 08:30	umm		ETA date a été modifié. l'ancienne valeur 29/11/2016 07:00 -> nouvelle valeur 01/11/2017 01:00
8	Message d'actualisation	<u>IFTMAN_89584</u>	Envoyé	30/11/2016 08:31	umm		
9	Acceptation	<u>IFTSTA_OUT438736</u>	Confirmé	30/11/2016 08:34	611TC3000100		ESCALE MAJ
10	Acceptation	<u>IFTSTA_OUT438737</u>	Confirmé	30/11/2016 08:34	611SODE00100		ESCALE MAJ
11	Acceptation	<u>IFTSTA_OUT438740</u>	Confirmé	30/11/2016 08:48	611AGEN00100	A.D MODIFIER	
12	Acceptation	<u>CUSRES_209701</u>	Confirmé	30/11/2016 08:58	611ADII00100		Modification voyage maritime avec succès.
13	Modifications internes		Modifié	30/11/2016 11:11	umm		ETA date a été modifié. l'ancienne valeur 01/11/2017 01:00 -> nouvelle valeur 01/12/2016 01:00
14	Message d'actualisation	<u>IFTMAN_89585</u>	Envoyé	30/11/2016 11:13	umm		
15	Acceptation	<u>IFTSTA_OUT438909</u>	Confirmé	30/11/2016 11:33	611AGEN00100	A.D MODIFIER	
16	Acceptation	<u>CUSRES_209686</u>	Confirmé	30/11/2016 11:40	611ADII00100		Modification voyage maritime avec succès.
17	Modifications internes		Modifié	30/11/2016 14:03	umm		
18	Message d'actualisation	<u>IFTMAN_89708</u>	Envoyé	30/11/2016 14:04	umm		
19	Acceptation	<u>IFTSTA_OUT439021</u>	Confirmé	30/11/2016 14:20	611AGEN00100	A.D MODIFIER	
20	Acceptation	<u>CUSRES_210189</u>	Confirmé	30/11/2016 14:23	611ADII00100		Modification voyage maritime avec succès.

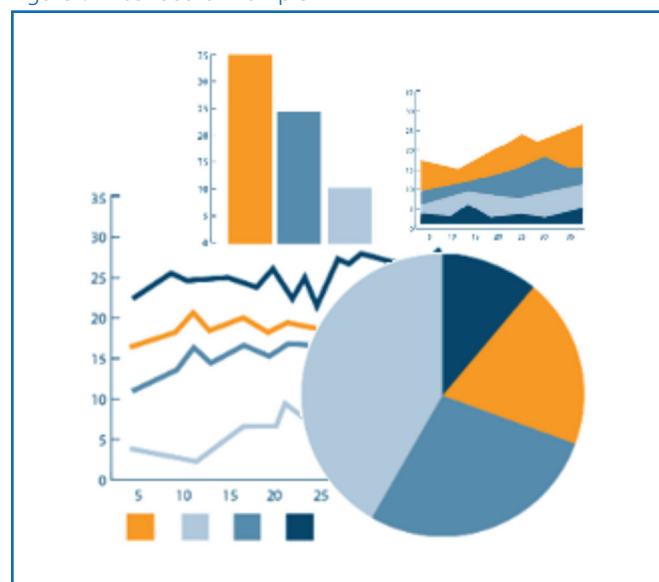
Source: PORTNET S.A.

delays, advancement, errors, and so on, of all the actors involved in the foreign trade chain. These dashboards are a significant tool for improving the services rendered by PortNet and its partners, and they are produced generally on a weekly, monthly, and annual basis. They are also updated regularly. (See Figure 3.)

### ***Lesson 8: Comply with international standards and align the development of the single window with regional integration and interoperability standards.***

This is a goal that should be taken into consideration during the early stages of development of a single window. This compliance and alignment will make it easy to adopt or implement new regulations from national and international organiza-

Figure 3: Dashboard Example



Source: PORTNET S.A.

tions such as the WTO, UN, International Maritime Organization, and the World Customs Organization. Such alignment with international standards also makes it simple to ensure interoperability and regional integration between national single windows and between different countries.

It's also very important to participate in international events and have membership in national and international organizations (associations and/or federations). This will make it easier to be informed at the international level regarding the new standards and best practices. For instance, PORTNET S.A. is a member of the International Port Community Systems Association and the African Alliance for E-Commerce, and we also are active participants in the UN/CEFACT<sup>6</sup> workshops and forums. And PORTNET S.A. is always a member of several Moroccan organizations.

## CONCLUSION

Developing a national single window for foreign trade shouldn't be taken lightly. It requires teamwork, with all related stakeholders working strongly together as a community. In Morocco, thanks to the implementation of PortNet, we have been successful in simplifying and automating procedures, thus reducing the time and cost to trade for economic operators. These results are tangible across various performance indicators, surveys, and reports, including the World Bank's Doing Business Trading Across Borders indicator 2017, where Morocco has risen to 63rd in rank from last year's 102 among 189 economies.

However, we must maintain our effort to achieve better results with continuous improvement, learn from other

experiences, and take into account the lessons outlined above: ensuring strategic alliance; effective change management; governance arrangements that are effective, accountable, and transparent; objective and transparent criteria for participation in the single window; traceable operations; adopting quick-wins methodology; regular follow-up of the single window and community performance; compliance with international standards; and alignment with regional integration and interoperability standards.

For more details regarding PortNet "National Single Window for Foreign Trade", please check: [www.portnet.ma](http://www.portnet.ma)



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<sup>6</sup> UN/CEFACT = United Nations Centre for Trade Facilitation and Electronic Business.