



## A MARITIME SINGLE WINDOW IN CANADA BY 2024?

Presented at the annual Mariners' Workshop  
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Thank you for the opportunity to share the Shipping Federation of Canada's views on the topic of *maritime single window*.

Just to ensure that I set the stage appropriately from the outset, I'm going to focus on this topic not from a technical perspective, but from a broader, more policy-oriented viewpoint, with an overall aim of hopefully contributing to our collective understanding of what *maritime single window* is, what it can achieve from a shipping and supply chain perspective, and how we might move forward on implementing this concept here in Canada.

### WHAT IS MARITIME SINGLE WINDOW?

As most of you know, the International Maritime Organization has mandated that all countries that are IMO members – which includes Canada - must have implemented the necessary functionality to support a *maritime single window* environment by January 1<sup>st</sup>, 2024.

I'm going to spend some talking about what this means for Canada and for ships trading in Canadian waters, but before doing that, I think it's important to just back up a little bit and ensure we start with a common definition of what *maritime single window* means for the purposes of this discussion – because I think the term often means different things to different people – and we saw some of that during yesterday's discussions.

So, as a baseline, and drawing heavily from the work the IMO has already done on this issue, I would characterize *maritime single window* – in its most basic form - as an electronic portal that ships can use to submit regulated information to the relevant authorities, which those authorities can then use to authorize the ship to engage in certain operations.

In other words, things like providing clearance for a ship enter or leave national waters, or proceed to a berth, or allow crew and passengers to disembark, or commence cargo loading and unloading operations.

A key element of this model is that each piece of data the ship provides only needs to be submitted a single time via the same portal, with the relevant authorities then accessing that portal in order to obtain the data elements they need to grant the ship the necessary clearances - all done according to pre-established information sharing agreements.

Aside from setting out this general framework, the IMO doesn't really establish any hard and fast rules about the specific form that a member state's *maritime single window* should take, or how extensive its data needs to be, as this will obviously vary among countries based on their regulatory reporting requirements, their appetite and capacity for moving to a single window reporting environment, and the

work they may have already done in digitizing and connecting various processes within their maritime supply chains.

It's worth noting that some countries have already done a significant amount of work on developing, and in some cases implementing, a *maritime single window* model, and are far more advanced than Canada in this respect.

Which isn't to say that Canadian ports, service providers and other entities haven't developed and implemented their own individual digital platforms for key functions and business processes – which they have and which we've heard a lot about during this workshop.

It is to say, however, that Canada has so far NOT heeded the IMO's call to action on developing a digital platform for its marine border management and vessel clearance processes, which remain pretty under-developed for a country that relies as heavily on ships for the carriage of its international trade as Canada does.

#### CURRENT VESSEL REPORTING AND CLEARANCE PROCESSES IN CANADA

So, just to briefly explain the way our vessel clearance process works right now - any ship entering Canadian waters is obliged to provide a range of data related to the vessel, the cargo, the crew and the passengers on board to a number of government departments and agencies so it can obtain the necessary authorizations and clearances to carry out key operations.

This means that the ship has to submit multiple transmissions to multiple authorities for any given voyage, often providing the same data elements and documentation over and over again.

In addition, the way in which this information has to be submitted varies among (and sometimes even within) the government agencies involved, which leads to a patchwork of reporting methods – including e-mail, fax and even paper - that have no consistency or ability to communicate with each other.

This imposes a significant administrative burden on the ship's captain and marine agent, who are usually the responsible parties for reporting purposes.

It also creates many opportunities for error, redundancy and delay, and detracts from the captain's ability to focus on his or her core responsibility, which is to ensure the safety of the vessel, cargo and crew on board.

This also means that the information that vessels provide as part of their regulatory reporting requirements can't be shared among government departments and agencies, nor can it be connected to other digital platforms operated by other trade chain partners – which is where some of the greatest added value – or true potential - of the *maritime single window* model lies.

So, Canada isn't reaping any of the benefits that a *maritime single window* platform could offer – whether in the form of enhanced efficiency of its vessel reporting and clearance processes, or a more fully optimized port call process, or more integrated supply chain operations overall.

We see this as a missed opportunity, especially in a context where our transportation system has suffered serious disruptions and delays over the past several years, due not only to the pandemic, but to factors such as climate-related events, geopolitical turmoil and longstanding structural inefficiencies.

## WHY IS CANADA MISSING NOT MOVING FORWARD ON MSW?

Given that the *maritime single window* concept was developed for the express purpose of addressing inefficiencies in vessel reporting processes and facilitating the movement of maritime trade, and given the IMO's deadline, it's fair to ask why Canada isn't moving more aggressively to implement this model in its waters.

There are a number of reasons for this lack of progress, but they all essentially boil down to the same thing, which is a lack of leadership.

Maritime single window is based on the transmission of regulated data from ships to specific authorities, so the only entity which can initiate and lead its implementation is government, and specifically those government departments and agencies that are most extensively involved in the ship clearance process – which in Canada are Transport Canada and the Canada Border Services Agency (also known as CBSA).

Much of the inertia on *maritime single window* that we are currently seeing is due to the unwillingness of either Transport Canada or CBSA to assume ownership of this file, and the insistence of each that the other is better suited to take on this crucial leadership role.

If you're familiar with the game of "hot potato" that kids often play at birthday parties, that's exactly what this looks like, which would be more amusing if it weren't for the fact that the players aren't kids but government agencies, and the losers are all the potential beneficiaries of a more efficient transportation system and supply chain in Canada.

The "hot potato" analogy notwithstanding, we believe there's a strong case to be made that Transport Canada is really the only federal entity that's fully suited to lead Canada's charge on *maritime single window*.

Not only does Transport Canada have policy and operational expertise in the marine transportation sector, but it also has a historical and ongoing role as Canada's representative at the IMO and as Canada's signatory to a range of IMO conventions – including the *Convention on the Facilitation of Maritime Traffic*, which is where "maritime single window" is situated at an international level.

This isn't to say that CBSA doesn't also play a major role in the vessel clearance process – which actually surpasses that of Transport Canada in terms of the number of reports and submissions it requires from ships.

CBSA also has experience in the larger "single window" environment, having built a "trade single window" for the submission of import data as relates to the granting of permits and the payment of duties and taxes several years ago.

Nevertheless, CBSA has no direct or concrete relationship with the IMO, nor does it play the role of Canada's de facto "maritime authority" in the same way that Transport Canada does, which in our view makes it much less suited as an Agency to provide the necessary leadership on this issue.

Another reason for Canada's lack of progress on *maritime single window*, which is linked to the first reason, is that there hasn't been any political will to generate movement on this issue, which has made it easier for the game of hot potato between Transport Canada and CBSA to go on for as long as it has.

Political will is widely acknowledged as a critical success factor in the implementation of projects such as *maritime single window*, because it's the most effective tool for exerting pressure on government entities to take ownership of projects that challenge their established way of doing things, and which will fundamentally transform their longstanding practices and institutional preferences.

#### THE ROLE OF MSW IN ADDRESSING CANADA'S SUPPLY CHAIN CHALLENGES

Although political will on *maritime single window* has been in short supply here in Canada, there's reason to believe that this is starting to change.

As I alluded to earlier, government is under significant pressure to address the supply chain challenges that have become such a huge part of our daily lives over the last several years, and to find concrete solutions to make our transportation system more resilient and efficient for the future.

This pressure served as the impetus for the Minister of Transport to establish a National Supply Chain Task Force in early 2022, which led to the release of a report last October setting out a package of recommendations for strengthening, modernizing and future-proofing our transportation system and supply chain in both the immediate and longer terms.

What's worth noting for the purposes of this discussion is that several of those recommendations either link directly to, or are strongly aligned with, the *maritime single window* agenda.

More specifically, the Task Force calls for closer collaboration between the many government entities whose mandates intersect with supply chain operations - which is a fundamental element of the *maritime single window* model as relates to the vessel clearance process.

The Task force also calls for the development of a single point of submission for regulatory reporting purposes across government, and highlights the need for reporting requirements to be harmonized to the greatest extent possible – both of which are fundamental values of the *maritime single window* concept.

And finally, and perhaps most interestingly of all, the Task Force calls for the development of a national supply chain digitization and data sharing strategy to guide Canada's future projects and investment decisions – which is important because it highlights the need to connect the individual digital platforms that various stakeholders are building and situate them within a larger digital ecosystem.

All of the Task Force's recommendations are now being studied by the Minister of Transport, and we expect to hear more concrete news on the implementation of these recommendations in the upcoming budget, which will be unveiled within the next few weeks.

#### IMO WORK TO SUPPORT MSW IMPLEMENTATION

It's worth noting that the IMO has done a lot of work at the international level to provide a comprehensive set of tools for member states to use when transitioning to a *maritime single window* model, many of which were developed in collaboration with BIMCO (which is the association that represents shipowners throughout the world) and the International Association of Ports and Harbours or IAPH (which is the association that represents ports throughout the world).

Just as a side note, the work that these three organizations are doing together – with IMO fulfilling the role of regulator, BIMCO the role of shipowner, and the IAPH the role of port – provides a perfect

illustration of the “trifecta” of stakeholder interests which have to be at the table in order to ensure the successful implementation of a *maritime single window* model in any given country.

So, of the tools the IMO has developed, the most important by far is its “Compendium on Facilitation and Electronic Business,” which is basically a reference manual that sets out the technical and operational standards that software developers can use when creating an electronic, single window reporting platform in their country.

The aim of the compendium is to ensure the use of standardized and harmonized data structures among all IMO members, and of a common interface for exchanging data between ship and shore - in a context where the specific elements of the data itself will likely vary among, and even within, individual countries.

Use of the IMO’s compendium can also enable member states to avoid the use of proprietary technology and data models, and support the goal of international interoperability between single window environments in the future – which is a key long-term objective.

The IMO is also facilitating discussions and exchanges of information and best practices among member states, and just last week held a multi-stakeholder *maritime single window* symposium in London, which I was fortunate enough to attend on behalf of the Federation.

One of the most interesting aspects of the symposium was the experiences that member states shared on their achievements and challenges in the *maritime single window* space.

This ranged from the experience of a developing nation such as Djibouti, which recently implemented basic maritime single window functionality as a potential first step towards a more fully integrated port community system in the future . . .

. . . To a more advanced nation such as Finland, which has implemented a national single window system that’s designed to interface with the individual communications platforms that are in place at many of the ports scattered across the country . . .

. . . To a highly advanced nation such as Singapore, which has implemented a fully developed *maritime single window* model that’s part of a larger, digital ecosystem, and is now looking at using this as a springboard to the establishment of digital corridors with its key trading partners.

Although all of these countries are in vastly different stages of development with respect to *maritime single window*, they’ve all embraced the fundamental view that this model is the necessary starting point not only for streamlining and enhancing the efficiency of their vessel clearance processes, but also for moving to a more fully integrated digitized supply chain in the future.

Another really interesting aspect of the symposium, and one which may be particularly instructive for Canada, was the discussion on the key success factors for transitioning to a *maritime single window* environment.

There were a number of common factors that came up repeatedly during these discussions – including:

. . . the need to do the necessary legal and governance work to appropriately frame a *maritime single window* project, particularly from a data sharing perspective; which we haven’t talked about today but is a crucial element;

. . . the need to foster collaboration among all of the government authorities involved in vessel clearance and marine border management processes;

. . . the need to appropriately situate any maritime single window project within a larger digital ecosystem and strategy;

. . . and perhaps most importantly of all, the need to overcome institutional resistance to change through the exercise of strong political will and appropriate leadership.

## CONCLUSION

All of which leads back to the central question of whether Canada will be in a position to implement a *maritime single window* in time for the IMO's January 1, 2024 deadline.

It's definitely a relevant query, but perhaps a more appropriate and ultimately useful question to ask is whether Canada will seize the opportunity presented by the IMO's deadline to start working on this in a serious and meaningful way.

As we've seen, the benefits of transitioning to a maritime single window environment are clear, the tools for implementing this model are available from the IMO, and the countries which have developed this functionality are more than willing to share their expertise and their lessons learned.

All of the major pieces are in place – the only thing left to do is for Transport Canada to assume its leadership role and get to work.