

Information Technology for Adoption and Intelligent Design of E- Government (ITAI DE)

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ITAIDE Figures and Participants

- **Duration:** 4.5 years (January 2006 – June 2010)
- **Budget:** Total budget **7 Meuro** , EU contribution **5.8 Meuro** from **6th Framework IST Programme**
- **Partners:**
 1. Free University Amsterdam (Coordinator)
 2. Copenhagen Business School
 3. Dutch Tax & Customs
 4. Danish Tax & Customs
 5. Finnish State Treasury
 6. IBM
 7. Nordea Bank
 8. Lapeenranta City/Innovation
 9. Project Business
 10. Resultmaker
 11. SAP
 12. United Nations/ECE
 13. University College Dublin
 14. University of Maribor
 15. University of Muenster
 16. United Paper Mills

ITAIDE Vision

- **ITAIDE** will Support European governments to **overcome the Dilemma of**
 - increasing **Security**
 - reducing **Administrative Burden**
- EU **strategic objectives** to cope with this dilemma (e.g. DG Tax & Customs)
 - **Single-Window (SW)**
 - **Authorized Economic Operator (AEO)**
 - **Pan-European Interoperability**

ITAIDE Development Tools

- ITAIDE will deliver an integrated set of **development tools** across **technical**, **procedural** and **organizational network** layers, which support Single-Window, AEO and Interoperability

1. Technical Layer

- Message standards
- Technical & semantic interoperability

2. Procedural Layer

- Procedure redesign methodology for e-Customs

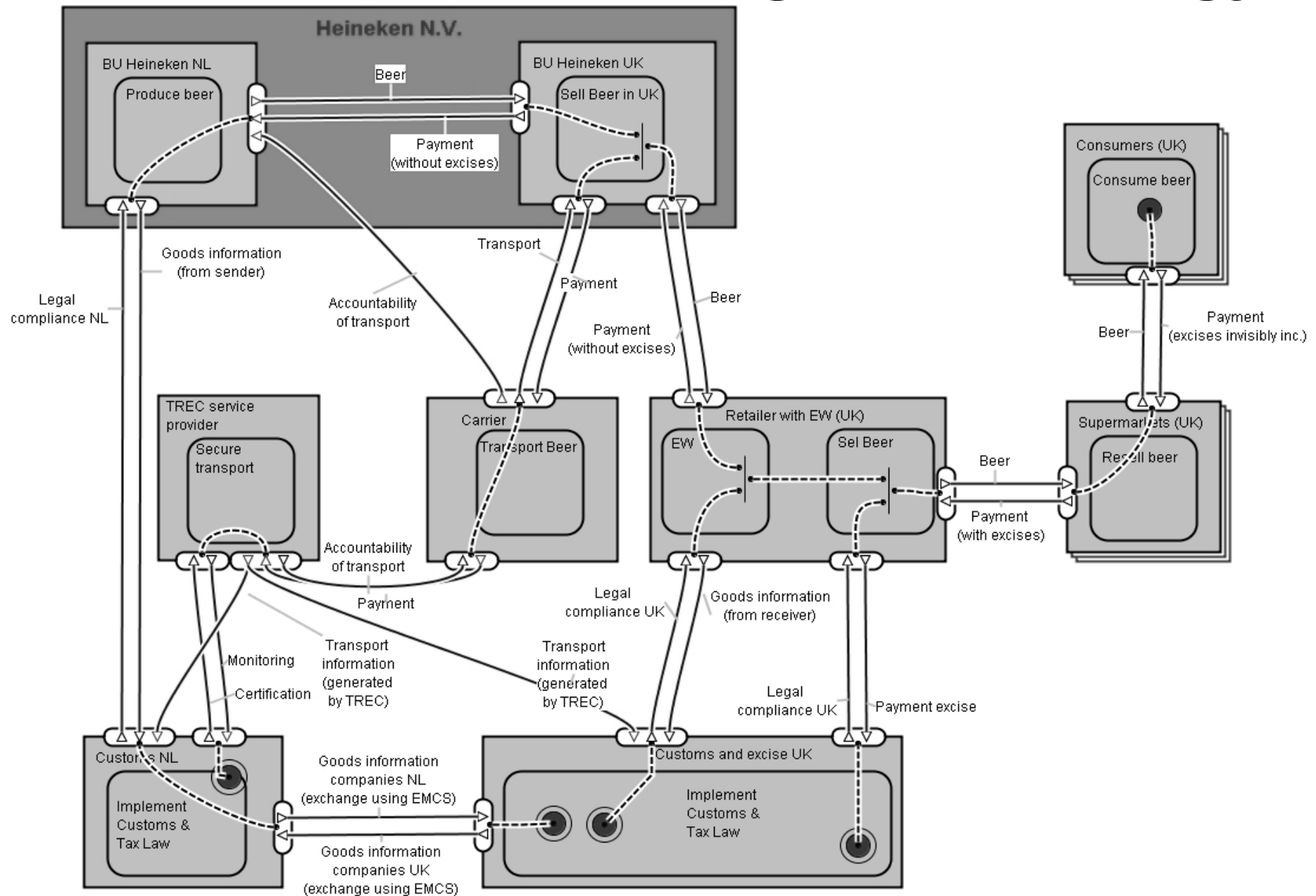
3. Organizational Network Layer

- Opposing interests
- Create win-win strategies for e-Customs for all stakeholders
 - Business
 - Customs
 - Technology Providers

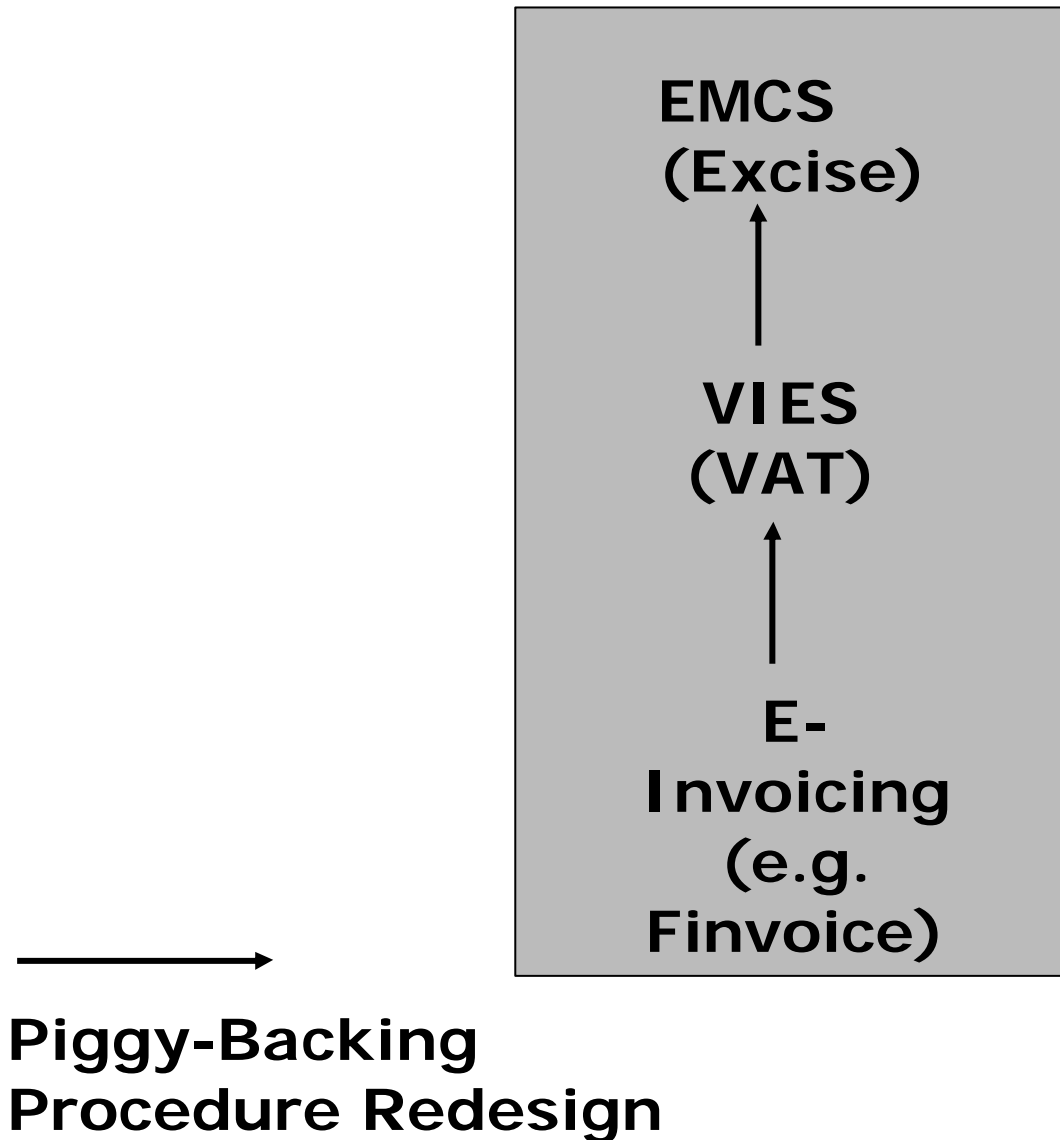
Procedure Redesign

- **Current e-Customs practice**
 - replace paper document by a **corresponding electronic document**
 - still much data duplication
 - limited efficiency & accuracy improvement
- **Fundamental Redesign:** analyse if customs document is **redundant**
 - “Don’t automate, but obliterate”
 - by using instead Business data flow (**Piggy-Backing Principle**)
 - **e3-Control** Procedure redesign methodology

E3-Control Redesign Methodology



Example of Piggy-Backing Redesign

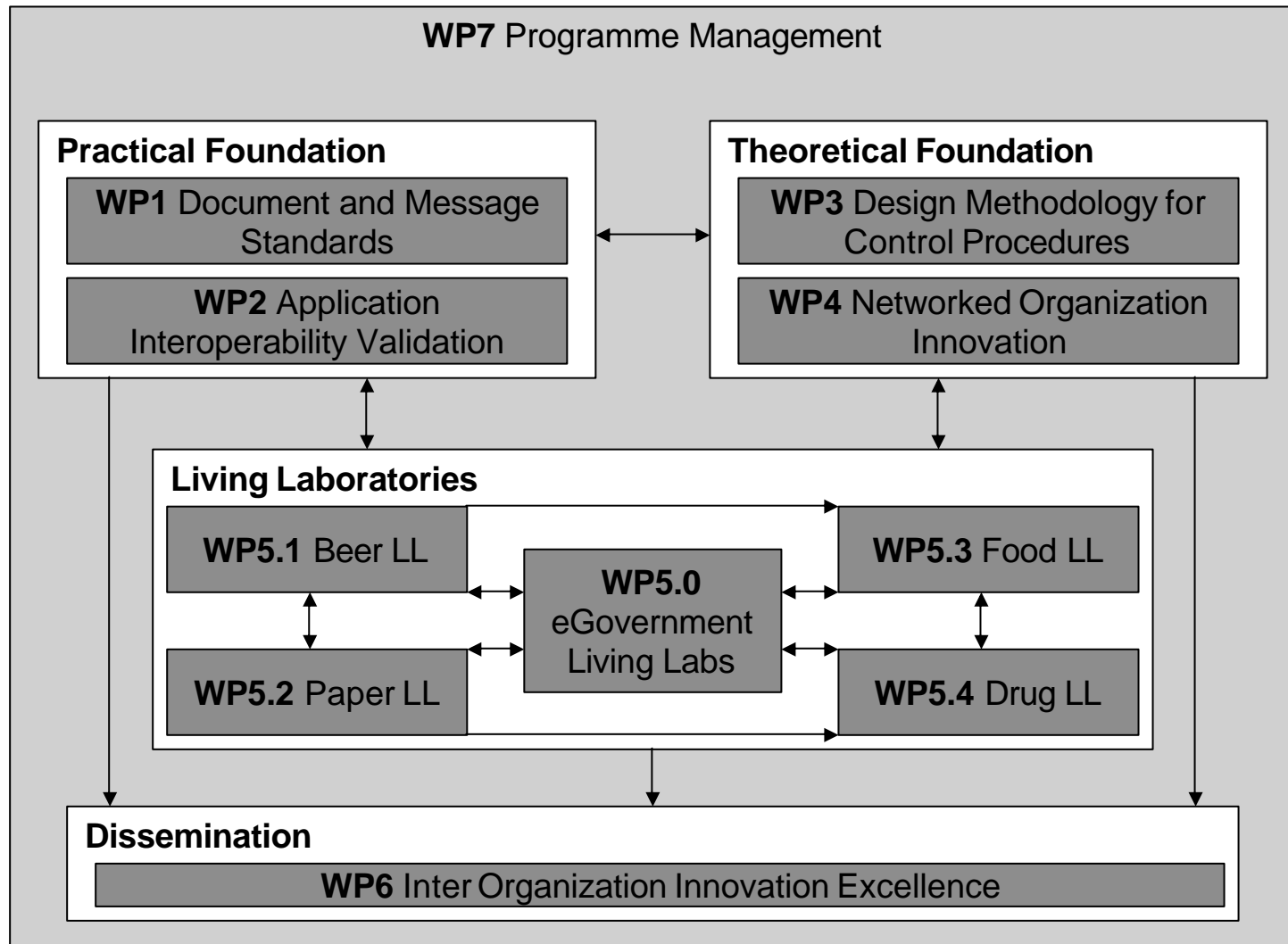


Organizational Network

e-Customs Redesign only works in Organizational Network setting

- **Network of Stakeholders**
 - All stakeholders must be involved in collaborative co-design (Business, Customs, Tech. Provider)
 - balance opposing interests
 - Lessons learned from EDI in the seventies
- **Network of Wider Policy**
 - e-Customs redesign only works if it is enabled by new EU legislation
 - Collaboration with
 - EU-DG TAXUD,
 - UN/CEFACT
 - World Customs Organization (WCO)
 - links to e-Customs projects in US, Russia,
 - Possible future links: China (?), Brazil (?)

ITAIDE Workpackage Structure

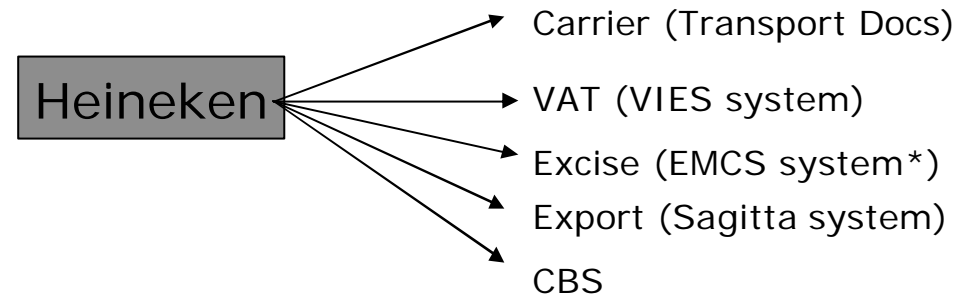


The Beer Example

- Export of Excise products
 - Export of beer from the Netherlands to UK, US
 - beer producer needs to pay excise for the beer it sells to the end-consumer
- Excise-free Export
 - Beer producer is exempted from paying excise, if:
 - Export beer to other EU country (e.g. UK)
 - Export beer outside EU (e.g. US)
- Current Excise control procedure
 - The beer producer needs to use a paper-based document
 - Administrative Accompanying Document (AAD)
 - Signed-off by UK Tax/Customs, or when leaving EU by Customs of Port of EU-Departure
 - Major Fraud (1.5 Beuro/y!) and Error problems (!)
- Excise Movement Control System (EMCS)
 - Currently developed Pan-European Information System to replace paper AAD

Beer LL AS-IS: redundancies in procedures & messages

- Duplication of procedures, information systems and data flows for same business transaction



*EMCS: not yet operational

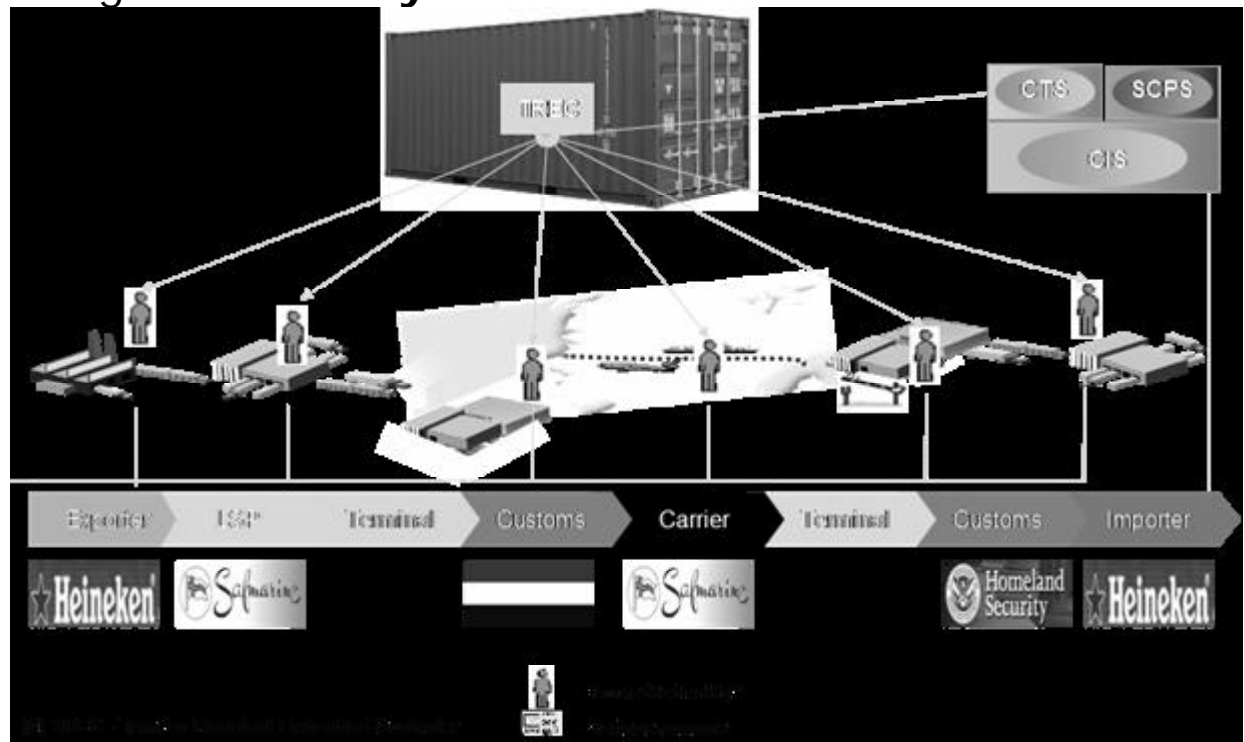
Beer LL TO-BE: Single Window

- Capture information at the source, and use it for all purposes



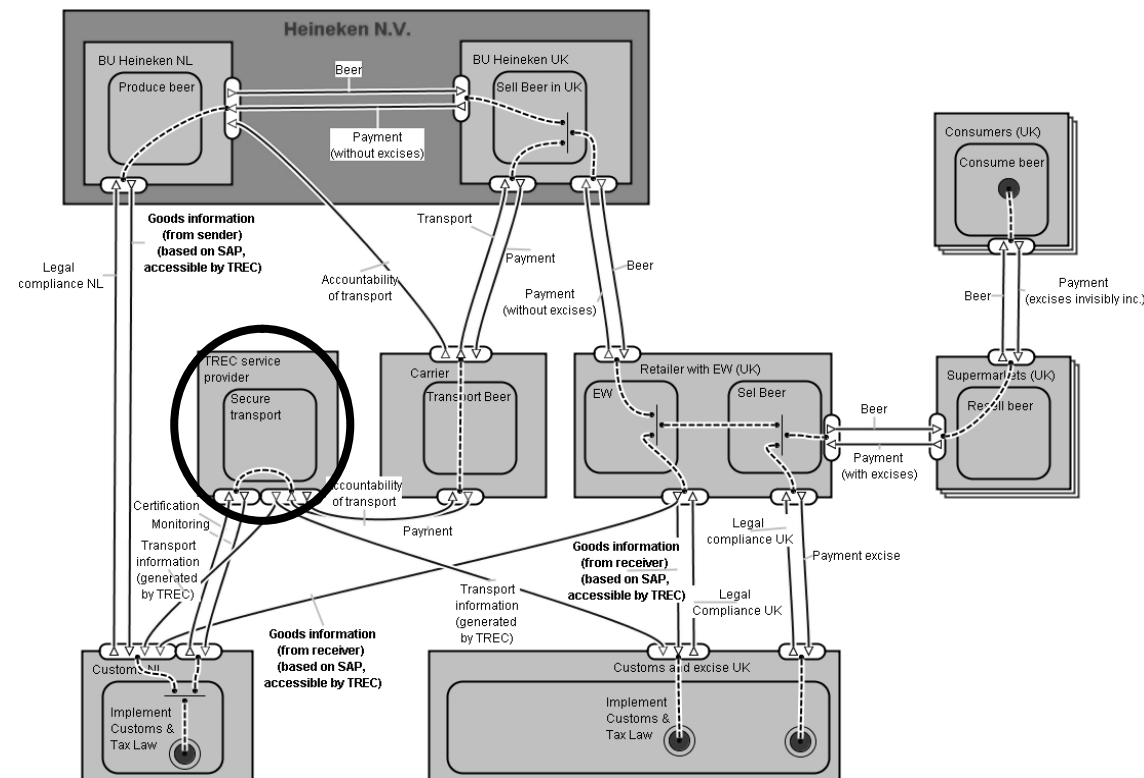
Innovative Technologies to Enable e-Customs

- **TREC: Tamper-Resistant Embedded Controller (IBM)**
 1. Sends container status information (location, temperature etc.)
 2. Secured access to a container (Public Key Cryptography)
 3. Enables link to the data base of a company (shipper, carrier)
- **Procedure redesign**
 - Current solution: **EMCS + Export Control System (ECS)**
 - Radical redesign: **TREC-only**



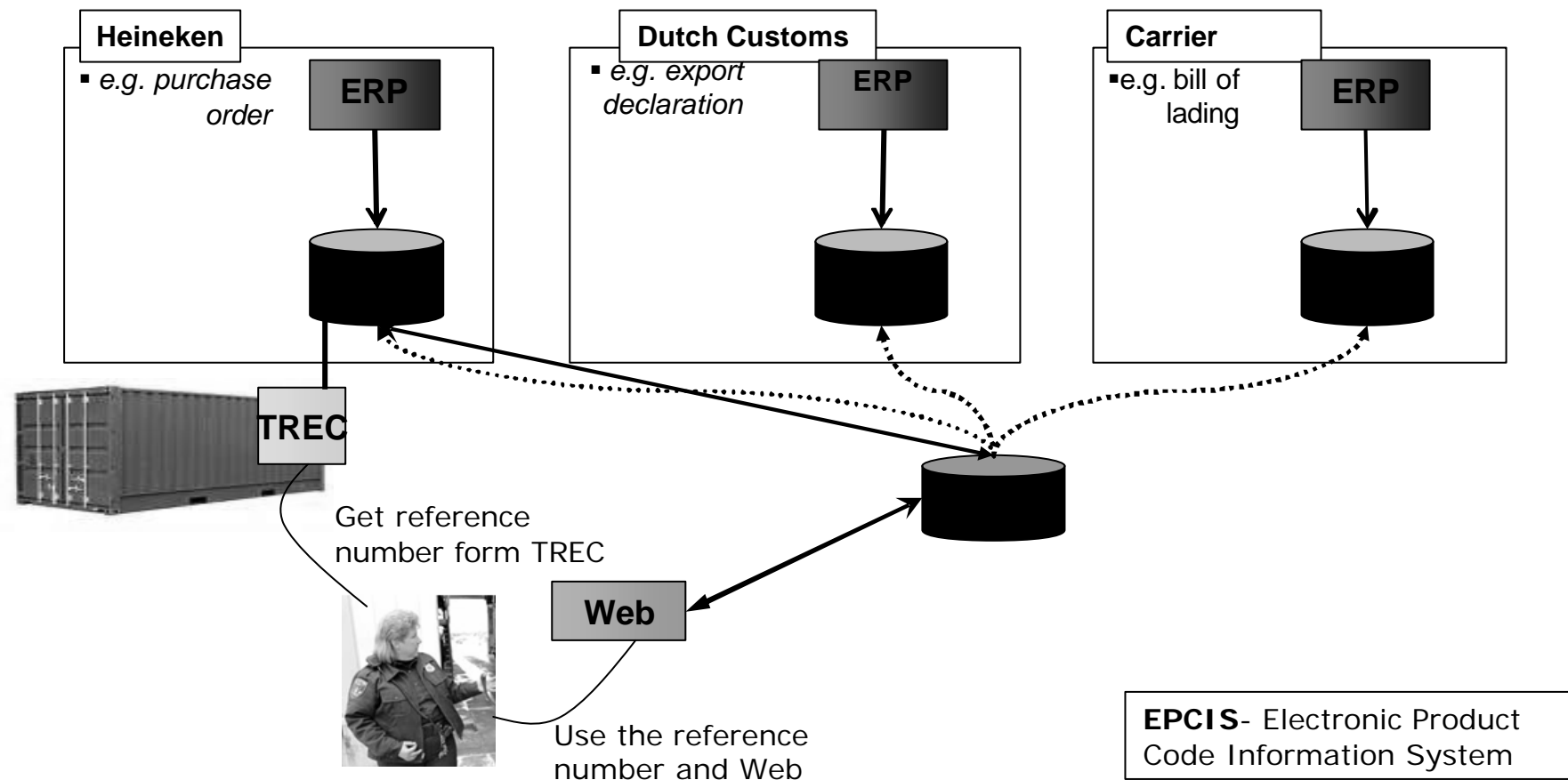
TREC Redesign Scenario

- **Piggy-back principle**
 - Reuse of business data for Tax & Customs purposes
- **TREC enables Customs NL to obtain**
 - Commercial data from ERP system of Heineken
 - Transport information from ERP system of carrier



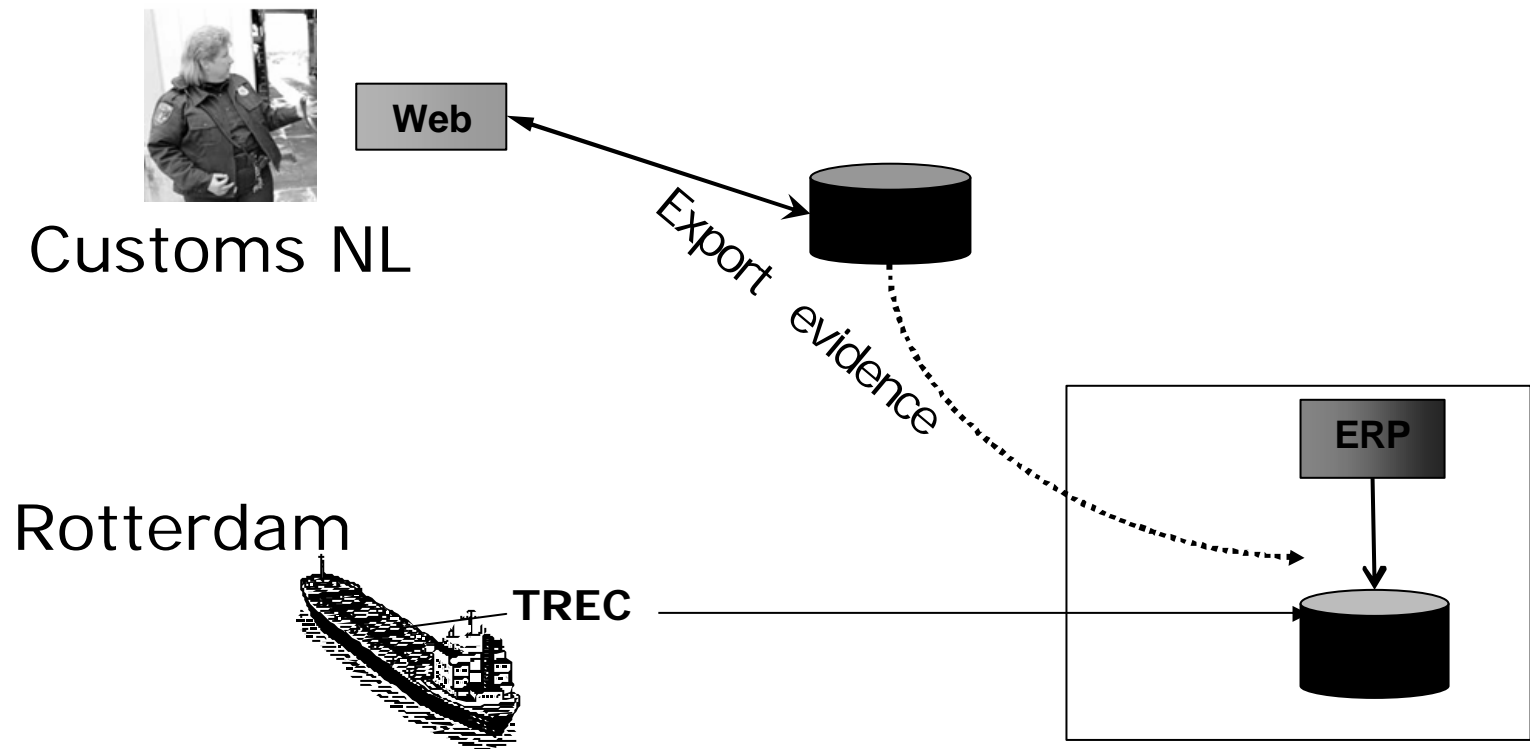
Interoperability and Standards

- Service-oriented architecture (SOA)
- Open standards (e.g. EPCIS electronic product codes)
- One solution for all communications business-government



Beer LL and ECS (Export Control System)

- Future ECS will decrease fraud by providing precise movement control data
- TREC can provide better movement control data than ECS
 - Physical customs inspection not needed anymore!
 - Instrument for AEO Certification



TREC demo: Nov. 2nd 2006



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Further Info

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