

Ethiopia: Single Window for International Trade Project

The challenge:

Trade facilitation procedures in Ethiopia are burdensome. Traders submit up to 21 documents for clearance of goods and they have to undergo many procedures that are repetitive. Few of these procedures are automated, meaning traders have to interact many times with the same regulatory agencies to have their goods imported or exported.

In addition, the coordination of regulatory agencies is not institutionalized and there are no systems to facilitate this coordination. A frequent and onerous inspection regime means that over 80% of cargo is physically inspected.

This burdensome trade environment increases transactions costs for businesses in Ethiopia. Businesses are forced to hold larger inventories. This ties up working capital and increases debt and services charges and risk of loss or damage.



The solution:

ICF and the International Finance Corporation will work with the Ethiopian Revenues and Customs Authority (ERCA) to implement an electronic Single Window system for international trade. The system will provide traders and regulatory agencies with an electronic platform for submitting and delivering all clearance documents required for import, export, and transit of goods. The project will cost a total of US\$ 7.3m; of this, ICF is providing US\$ 4.3m, the Government of Ethiopia is providing US\$ 2.4m, and IFC is providing US\$ 600,000.

Forecasted impact:

The aim is to make Ethiopian businesses more competitive and goods more affordable to consumers by reducing the time, costs and procedures associated with the export, import and transition of goods. The project is expected to:

- Produce private sector savings amounting to US\$ 794m within the first two years of implementation
- Increase revenues by US\$ 172m within the first two year of implementation
- Reduce the average time for importing goods from 47 days to 11 days, and exporting goods from 39 days to 9 days.

Project duration: December 2013 – October 2015

The Investment Climate Facility for Africa is a grant providing organisation that works with African Governments to improve the environment in which businesses operate. ICF engages closely with implementing Government bodies throughout the life of the project. For more information about ICF please visit www.icfafrica.org