

ICF Trade Facilitation Projects



The Challenge:

Cargo waiting time or delays at most African ports is a major bottleneck to trade and a stumbling block to economic development and regional integration in Africa. The World Bank estimates that cargo dwell time in ports in sub-Saharan Africa is on average 20 days (excluding Durban & Mombasa). Cargo dwell time means the amount of time cargo spends at the port while awaiting clearance for export or import.

Dwell time is one indicator of a port's efficiency: the higher the dwell time, the lower the efficiency. And longer dwell times have an adverse effect on economic growth.

The Solution:

Whilst port capacity is a significant factor in determining cargo dwell times, it is often the case that modernizing systems and re-engineering processes for cargo clearance can significantly reduce dwell times without expensive investments in increased port capacity. ICF interventions in this sector bring together stakeholders in the trade facilitation process from the Government and the private sector, respectively including controlling agencies, port authorities, private terminal operators, logistics operators and large shippers. ICF works with all these actors to design and implement projects that introduce reforms and install modern systems that will lead to a reduction in cargo dwell time through the elimination of manual and inefficient processes and replacing them with electronic systems and procedures which are faster, more transparent and cost effective. The outcome of this for the private sector and ordinary citizens at large is that after an ICF intervention, the time and cost to move goods through the cargo clearance process will be considerably lowered.

The Impact:

From a macro-economic perspective, streamlined cargo clearance processes can help encourage cross-border and international trade. By stimulating new business opportunities, robust cargo clearance systems can help enhance a port's competitiveness and lead to faster economic growth for the country. Put simply, the effect of a successful trade facilitation project will have a 360 degree effect on the respective economies of the: (i) implementing country, (ii) neighboring countries (especially landlocked ones), and (iii) trading partners which export to or import from the implementing country. With private-sector acknowledged as a key vehicle for inclusive growth, the need for reforming the trade facilitation environment, and thus ICF interventions, could not be greater. Working with receptive African governments, ICF remains on track to achieving transformative results in this sector, as highlighted in this fact sheet.

The Projects:

- As of March 2016, ICF had committed a total of US \$23m on 11 completed and ongoing projects in 7 countries and 1 regional block in the trade facilitation sector.

Project Name	Expected Results
Senegal – Paperless Trade & Customs Modernization Project	<ul style="list-style-type: none"> • Cargo dwell times for imports have been reduced substantially from 17 days to 3 days • We also estimate derived private sector savings in 2014 alone to total almost US \$42m, vis-à-vis a combined ICF and Government of Senegal total investment of US \$11m
Burkina Faso – Facilitation of Custom Procedures	<ul style="list-style-type: none"> • Reduce time to undertake pre-clearance process from 15 days to 3 days • Reduce documents required for import from 10 to 7 • Reduce documents required for export from 10 to 3
Ethiopia – Single Window	<ul style="list-style-type: none"> • Produce private sector savings amounting to US \$794m within the first two years of operations • Increase trade volume by US\$ 1.3b and revenue by US \$172m within the first two years of operations • Reduce clearance document preparation time by 80%.
Kenya – National Electronic Single Window	<ul style="list-style-type: none"> • Launched an electronic single window for trade • Established a call center • Trained 226 individuals from the public and private sector
Sao Tome & Principe – International Trade Facilitation Project	<ul style="list-style-type: none"> • Reduced number of trade procedures (private sector interactions with authorities for a transaction) from 31+ to a maximum of 3 • Reduced the average waiting time at border agencies from 5 to 2 days • Reduced the average number of days to import and export according to the World Bank’s Doing Business methodology from 26/28 to 16
Tanzania – Modernization of Customs Administration	<ul style="list-style-type: none"> • Reduce the average time for clearing goods at the port of Dar es Salaam from 5 days to 1 day for export goods, and from 9 days to 5 days for import goods. • Reduce the time to lodge and issue Customs release orders at the port of Dar es Salaam from 4 days to 1 day

The Future:

ICF continues to remain engaged in the trade facilitation sector and demand for new projects remains high. Projects in our current pipeline include Cape Verde, Ghana, and Togo as well as an expression of interest from Djibouti. As ICF moves towards its own phase II, we will also pay particular attention to trade facilitation project interlinkages with our other priority areas such as PPPs, business registration and SME development, as well as ADR mechanisms for resolving trade disputes.