



PAGE 4: B.1) YOUR CASE STORY: TITLE AND DESCRIPTION

Q1: TITLE OF CASE STORY

Rwanda Electronic Single Window

Q2: CASE STORY ABSTRACT

Rwanda Electronic Single Window (RESW) project responds to the need for Rwanda to manage its borders more effectively and facilitate efficient cross border trade. As a land locked country, Rwanda's competitiveness is undermined by high transport costs, inefficient processes and border systems that led to delays and poor infrastructure. RESW was then conceived with the main motivation of reducing delays in customs clearance of imports and exports into and from Rwanda, reducing customs clearance costs, and improving quality of service in customs clearance value chain.

To adequately respond to needs and achieve its set objectives, RESW project was designed to encompass the following three components in its implementation:

1. Introducing an IT Single Window and Integrated Border Management (IBM) system;
2. Upgrading the ASYCUDA customs management system;
3. Reviewing the EAC Customs Management Act.

Q3: LONG DESCRIPTION OF THE CASE STORY

The costs of transporting goods in East Africa are 60-70% higher than in the US and Europe, and 30% higher than in Southern Africa. This is more so for land locked countries like Rwanda. In addition to geographical disadvantage; time-consuming processes in obtaining trade permits and clearance, inefficient border systems, corruption, and poor infrastructure contribute to the high cost of trade, and undermine the competitiveness of Rwandan exports.

According to a recent study by Rwanda's Private Sector Foundation, only 43% of truck transport time along the trade corridors is spent moving. The rest is time spent waiting at border crossings or road blocks, or resting. To generate stronger economic growth and to improve the livelihoods of its citizens, the Government of Rwanda (GoR) has put considerable emphasis on regional integration as a national goal including adoption of Rwanda Electronic Single Window (RESW). RESW is implemented by Rwanda Revenue Authority (RRA) and funded by TradeMark East Africa. It will support RRA's Reform and Modernisation Unit (RMU) under the commissioner Generals office. This will ensure that project management has the capacity to manage OSBPs and other project activities. The unit comprised eight Business Analysts, four Reform Officers and six IT Officers. Project implementation was carried out in 4 phases starting from 2010 to 2014. Phase 1 which was carried out in 2010 to 2011 included conceptualization. Phase 2 from Oct 2011 to Jan 2012 involved scoping and development of the ReSW with a pilot of RESW commencing shortly thereafter in February 2012. RESW was eventually fully rolled out in January 2013. With a budget of \$3.5 million staggered over 4 phases between 2010 and 2014, RESW project already reports results in reducing time taken to clear goods from 1 day and 10 hours in 2010 to 23 hours in 2014. The resulting estimated total cost of declaration for an authorized economic operator has reduced from \$350 to \$64.5. It is estimated that return on investment based on savings is \$18 million per year.

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RESW project aims to support RRA in managing Rwanda's borders more effectively by:

- i) Creating a user-friendly IT single window for importers and exporters, which links the RRA with other government agencies;
- ii) Upgrading the RRA's customs management system; and
- iii) Reviewing ways to streamline customs procedures by amending the EAC Customs Management Act in line with international best practice.

The IT Single Window, IBM system and upgrading of the ASYCUDA customs management system comprise installing of software and hardware, servicing and training. The EAC Customs Management Act requires reviewing and proposing amendments to legislation, in line with regional and international best practice. The three components are sequenced as follows:

First, given the potential impact of the IT Single Window and IBM system in reducing clearance and transaction costs for business, it has been made a national priority. This was therefore procured and introduced in 2011, taking into account simpler and improved procedures already under way, and linking up with other initiatives including those of the World Bank. Second, to streamline customs procedures, RRA reviewed the EAC Customs Management Act bringing it in line with international best practice. Third, RRA upgraded the ASYCUDA customs management system in 2012-2013.

Already the project is posting benefits for Rwanda as indicated in the figure below. The average time taken from arrival of goods at the border to exit was initially 2 days and 10 hours. After the single window implementation, this has reduced to 23 hours.

Additionally, importers and exporters, businesses and consumers are reaping benefits because of the reduced clearance times and transaction costs this will consequently drive down cost of doing business as well as stabilizing and reducing retail costs in the long run. More studies need to be done on the impact of RESW on consumer prices. Importers have experienced a reduction of costs as result of RESW from \$350 per declaration to \$243; this totals to estimated savings of over \$2million annually. See graphical representation of reduced costs in figures presented below.

The figures below give AEO importer costs declaration before implementation of RESW and Figure 3 the same AEO importer costs declaration after RESW implementation:

Total Declarations 17,636
Cost for Declaration \$350
Estimated Total Cost \$6,172,600

Importer cost declaration before RESW implementation

Total Declarations 17,636
Cost for Declaration \$234.3
Estimated Total Cost \$4,132,115

Implementation of RESW builds on earlier work implemented by RRA and funded by DFID. This included: a customs IT review, initiatives to prevent smuggling on Lake Kivu, support to the new Burundi Revenue Authority, and reform of VAT.

RESW complements other initiatives supported by TMEA like the One Stop Border Post (OSBP) at Kagitumba. While OSBPs are not part of this project, they complement the IT Single Window and upgrading of the ASYCUDA customs management system by reducing the time and costs to cross borders. This project contributes to TMEA's objective of reducing transport and related costs along the key transport corridors in East Africa. It is coordinated with other development partners' projects.

Implementing Partner

The project implementing partner, RRA, was established as a quasi-autonomous body in 1997. It has risen to become an effective, independent institution with a successful track-record of working with development partners, and absorbing and spending aid effectively. The RRA received DFID support for the last 10 years, and financial aid for the last five, following completion of successful fiduciary risk assessments. As a result of earlier institutional capacity building, RRA can now implement complex projects, allowing day-to-day involvement in the project by TMEA to be kept to a minimum. RRA comprises two operational departments:

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(a) Customs Services Department, and (b) Domestic Taxes Department.

Q4: Please add here web links to project/programme materials.

RESW Video can be accessed on: <https://www.youtube.com/watch?v=VW5bYE3FvBU>

RESW Fact Sheet accessed on: - <http://www.trademarkea.com/projects/rwanda-esw-upgrade-cms/>

RESW Impact Story: <http://www.trademarkea.com/impact-stories/rwanda-opens-wide-an-electronic-window-for-trade/>

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Q5: YOUR CONTACT DETAILS

Name:	Mr Frank Matsaert
Ministry/Institution/Organization:	TradeMark East Africa
Country:	Kenya
Email Address:	frank.matsaert@trademarkea.com

Q6: FUNCTION

Other (please specify)
Trade Specialist Not for Profit Institution

Q7: FUNDING PARTNER Tick the appropriate box(es)

Other (please specify)
Funded by TradeMark East Africa with funds pulled from DFID

Q8: Additional information

Respondent skipped this question

Q9: START DATE OF PROJECT/PROGRAMME

2012/2013 FY

Q10: STATUS OF PROJECT/PROGRAMME

On-going

Q11: DURATION OR, IF ON-GOING, EXPECTED DURATION OF PROJECT/PROGRAMME

1-3 years

Q12: COST OF PROJECT/PROGRAMME

Between US\$1 million and US\$5 million

Q13: Additional information

The project is being implemented in two major phases:

Phase 1: already implemented at a cost of \$3.5M

Phase 2: On-going and will be implemented at a cost of \$1M

Q14: TYPE OF FUNDING FOR PROJECT/PROGRAMME

Grant

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Q15: PROJECT/PROGRAMME TYPE	Single country / customs territory
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Q16: SINGLE COUNTRY/CUSTOMS TERRITORY	RWANDA
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Q17: REGION(If the region does not appear in the drop down menu, please enter manually.)	East Africa
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Q18: MULTI-COUNTRY(Enter all countries or customs territories) Under the Single Customs Territory (SCT) agreement within the East African Community the Rwanda Single Window will be accessible to other Customs Authorities and customs brokers within the community and these includes authorities and businesses in Kenya, Tanzania, Uganda and Burundi
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Q19: CASE STORY FOCUS Tick the appropriate box(es)	REDUCING TRADE COSTS FOR MERCHANDISE GOODS , Customs reform, Other border agency reforms, Other (please specify) Reduction of time to clear merchandise
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Q20: HOW SUCCESSFUL WAS THE PROJECT/PROGRAMME Tick the appropriate box(es)	Very successful
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Q21: WHAT WERE THE OUTPUTS OF THE PROJECT/PROGRAMME Tick the appropriate box(es)	Officials trained, New customs procedures, New other border agency procedure, New border equipment (e.g. scanner), New or updated electronic single window
Q22: Additional information(maximum 300 words)	<i>Respondent skipped this question</i>

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Q23: WHAT WERE THE OUTCOMES OF YOUR PROJECT/PROGRAMME Tick the appropriate box(es)	Reduction in road haulier waiting times, Reduction in airport cargo handling times, Reduction in storage costs, Reduction in customs clearance time, Reduction in other border agency clearance time , Reduction in cost of customs clearance , Reduction in cost of other border agency clearance , Reduction in requests for informal payments , Increase in merchandise imports
Q24: Additional information(maximum 300 words)	<i>Respondent skipped this question</i>

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Q25: WHAT WERE THE IMPACTS OF THE PROJECT/PROGRAMME Tick the appropriate box(es)	Increase in domestic investment, Increase in foreign investment, Increase in employment
Q26: Additional information(maximum 300 words)	<i>Respondent skipped this question</i>

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Q27: LESSONS LEARNT Tick the appropriate box(es)	Importance of good project design, Importance of alignment with national priorities, Importance of engagement by private sector, Importance of agreeing clear project implementation responsibilities , Importance of agreeing clear project monitoring and evaluation process and procedures , Importance of attention to long-term sustainability , Importance of political will and commitment by project partner
Q28: Additional information(maximum 300 words)	<i>Respondent skipped this question</i>
Q29: PROJECT OR PROGRAMME MONITORING AND EVALUATION FRAMEWORK Tick the appropriate box(es)	M&E framework used, Project baselines set, Ex post evaluation, Joint ex post evaluation conducted with partner, Simple before and after comparison, Impact assessment