

## A Road Toward Paperless Trade: Senegal's Experience (updated 27 January 2016)

The Senegalese Single Window (ORBUS) was created and is operated since 2004 by a local company, GAINDE 2000, established under a public/private partnership. Through the paperless trade project initiated in 2009, GAINDE 2000 further introduced digital signature and enhanced electronic interconnectivity among stakeholders of the international supply chain both within and across borders, thus bringing the country closer to a paperless trading environment. GAINDE 2000's contribution has been recognized recently as it gained first place in the 2012 United Nations Public Service Awards.

### Implementation of Single Window in Senegal

The idea of using the Single Window to facilitate trade transactions in Senegal emerged during the mid-1990s when policy-makers from the Department of Foreign Trade, a division of the Ministry of Commerce, noticed the unfriendliness of the trading environment in Senegal and realized that the situation could be improved by using information technologies.

A symposium sponsored by UNCTAD in 1994 was a key trigger that drove the Department of Foreign Trade, with support from Senegal's Ministry of Commerce and the United Nations' Trade Point programme, to start formal initiatives to improve trade facilitation. The "Association pour l'Efficacité Commerciale" (AEC), which is composed of representatives from key private sector associations involved in trade as well as customs and other agencies involved in border control, was founded as a trade/government consultation platform to assist the Department of Foreign Trade with this.

Based on AEC's recommendations, the Senegal Government established Trade Point Senegal (TPS) in 1996 as an independent body to facilitate trade and implement a Single Window. Once the decision to set up an electronic Single Window (ORBUS) was made, TPS conducted a study to:

- > identify needs and expectations of ORBUS future users, including traders, insurance companies, port officials, clearing agents, banks, customs and other public agencies involved in border control; and
- > identify necessary ORBUS technical features and its operational model.

The study was conducted from 1996 to 1998. While TPS learned about ORBUS future users' needs and expectations from feedback collected during its workshops, seminars and meetings, the TPS team visited a number of countries with automated border control systems. Based on what TPS learned from these, it developed recommendations to describe a Single Window solution that corresponded not only to ORBUS future users' needs and expectations, but which was also suitable for Senegal. The state of Senegalese IT readiness, and legal and organizational constraints that prevented the automation of certain trade-related processes at that time, were taken into account. A workshop was held to unveil the recommendations to the public. TPS then set up a strong technical team to develop ORBUS. The system was ready in 1999.

Customs' resistance to system deployment froze the project from 2000 to 2002 and led to the transfer of project management from TPS to the Customs Administration. The decision was supported by both the Ministry of Commerce and the Ministry of Finance. This also led to the establishment of GAINDE 2000 under a public/private partnership. GAINDE 2000 was established in 2002 with a mandate to finalize the system as well as to deploy and operate it.

To ensure that the Single Window was appropriate for stakeholders and the general public, GAINDE 2000 initiated public relation activities involving officials and the media, with diffusion of a video in French and Wolof (Senegal's national



language]. Stakeholders were kept informed of the progress of system implementation and deployment through regular meetings and letters from authorities or the Director General of Customs.

### **GAINDE 2000 deployed ORBUS in three phases:**

- ▶ In the first phase (February 2004 to July 2004), GAINDE 2000 conducted a deployment test to assess how ORBUS worked in the live environment. During this phase, GAINDE 2000 also provided free training to users: one course on basic computer operation for those who were not computer literate, and one on ORBUS application. Users from large organizations were coached at their offices to ensure they were comfortable with the application. Instruction manuals were also provided at the end of the training period.
- ▶ In the second phase (July 2004 to February 2005), GAINDE 2000 began parallel use of ORBUS with the existing environment. ORBUS handled only 55% of the transactions, which allowed a technical team from GAINDE 2000 to work closely with users and properly maintain the quality of service. A Facilitation Centre was established to coordinate the ORBUS operations and monitor system performance.
- ▶ The third phase was global use of the system, which began in 2005. The use of ORBUS was then made mandatory.

Since Customs Administration required that all permits and authorizations should be henceforth collected through ORBUS, and Customs was also the operator of the Single Window (80% of GIE GAINDE 2000 then belonged to Customs), there was no problem for Customs to accept these permits electronically. New legislation was therefore not necessary to allow ORBUS to be operational. Customs merely issued an official note signed by the Director General to inform all stakeholders of Customs' acceptance of ORBUS as the only medium for the collection and issuance of trade-related permits and certificates.

ORBUS was implemented at a total cost of slightly more than USD 6 million between 1996 and 2004. Operating and maintenance costs for the system were about USD 1.75 million per year. The operation and maintenance of ORBUS is financed

by GAINDE 2000; maintenance of the central servers where ORBUS is hosted is financed by Customs. These servers also host the customs system known as GAINDE (French acronym for Automated Management of Customs and Trade-related Information).

### **The Move towards Paperless Trade**

Since its deployment in 2004, many upgrades have been introduced to ORBUS, with major improvements introduced in 2009. This major improvement was part of the paperless trade project partially funded by the Investment Climate Facility for Africa (ICF), a financial institution based in Tanzania.

After successfully gaining consensus from all stakeholders of the international supply chain, GAINDE 2000 established a paperless trading environment in Senegal. The launch in July 2009 marked the beginning of the project. All stakeholders were invited to develop an action plan to serve as the basis of work with the technical team. This also coincided with the existence of new laws regarding Electronic transactions.

The paperless trade project had two phases.

The first phase focused on:

- ▶ streamlining existing trade procedures;
- ▶ optimizing border control carried out by non-Customs entities; and
- ▶ upgrading IT equipment.

The second phase focused on:

- ▶ developing an electronic payment module for the Customs Management System;
- ▶ connecting GAINDE together with its electronic payment module to ORBUS;
- ▶ connecting the Port Community System to ORBUS to enable electronic sharing of cargo manifests; and
- ▶ introducing new applications to accommodate electronic signatures.

The second phase of the paperless trade project also included establishing interconnectivity between ORBUS and the information systems in other countries. So far, GAINDE 2000 has entered into Memorandums of Understanding with the provid-



ers of these systems in France and Malaysia.

The Information Society Act and other laws on electronic transactions, electronic signatures and the protection of personal data, all of which were enacted in 2008, contributed to the successful implementation of the paperless trade project. In addition, the Senegalese paperless trading environment has been supported by an enforcement memorandum on the operational rules of the paperless trade platform signed by the Director General of Customs, and the Resolution on paperless trade procedures in Senegal signed by the Prime Minister. With those laws and resolutions, the Government of Senegal has accepted electronic documents with electronic signatures as legally binding documents.

### Latest Developments

Latest developments since 2014 are both positive and negative. On the positive side, the Single Window has developed a trade portal to allow traders to be able to make simulation for import and export and to access statistics and a national repository of trade and logistic stakeholders. A national B2B logistic platform is currently under development and will facilitate national and sub-regional movement of goods. GAINDE expertise is also used by the government in other areas to make Senegal a better place for doing business.

On the negative side, failure to secure the participation of major sea ports regarding the logistic component of the National Single Window System has limited the potential impact of the system on the overall development of the Senegalese economy. This combined with other factors is associated with a decline in Senegalese's position in the World Bank Doing Business indicator related to Trading Across Borders where Senegal lost several positions over the 3 past years. Efforts are continuing to address this situation.

### Future Plans

Future plans for the further development of the Single Window facility include expansion to enable interoperability with other countries and mutual acceptance of electronic documents. On a regional level, there is now considerable interest in building strong dissemination strategies through the AAEC

(African Alliance for Electronic commerce) and Senegal is taking a prominent in these efforts.

### Impacts of ORBUS on Trade Facilitation

ORBUS has streamlined trade transactions in Senegal. It simplifies trade administration by replacing the numerous documents and applications previously required for preclearance formalities with a single form available online. It facilitates traders' operations by electronically dispatching the information that traders provide on that single form to public and private bodies involved in the trade transactions. The time required to complete preclearance formalities, including the processing of requests for permits and certificates for an import or export operation, has been reduced by 70%, from 4 days to half a day. The time associated with the custom clearance process has been cut by 50%, from an average of 18 to just 9 days.

Not only does ORBUS enable public and private bodies to deliver a better quality of service to traders at lower costs, but the more efficient processes that it brings about also improve Customs' collection of duties and fees. The amount of Customs' revenue collection went up from USD 625 million in 2005 to more than USD 1 billion in 2008.

### Lessons Learned

Senegalese experiences in Single Window implementation suggest that the easiest way to obtain large stakeholders' acceptance for Single Window is to focus on the common benefits that the new system brings to stakeholders and traders rather than the legal implications. It is important that acceptance of Single Window by all stakeholders is achieved, and that all stakeholders are involved from the initial stage.

In addition to political will, government commitment, a strong lead agency and the ability to manage changes deriving from the introduction of a Single Window, a local and motivated project team is another crucial factor that contributes to project success.



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### Contact information

*Ibrahima Diagne*  
General Manager, GAINDE 2000  
Phone: +221-77-569-51-28  
Fax: +221-33-24 1724  
Email: [idiagne@gainde2000.sn](mailto:idiagne@gainde2000.sn)