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Q1: Respondent details

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Q2: Country or Customs territory

KENYA

Q3: Organization

NGO

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Q4: Title of case story

Trade Certificates at a Press of a Button: Automation of the Application and Issuance of Certificates of Origin in Kenya by the Kenya National Chamber of Commerce and Industry (KNCCI)

Q5: Case story focus

Trade Facilitation.

Q6: Case story abstract

E-commerce development and efforts to bridge the “digital divide”

Q7: Who provided funding?

Other (please specify)
Trade Mark East Africa with funds from DFID

Q8: Project/Programme type

Single country

Q9: Your text case story**a. The Origin of the project or programme**

KNCCI had lost the rights to issue ordinary certificates of origin due to mismanagement and increased incidences of forgery. After rebranding of KNCCI and installation of a new management team, rights to issue certificates of origin were reinstated. The new management faced the challenge of adopting a robust system of administering certificates of origin in a manner that is conducive to businesses and in particular medium and small enterprises. KNCCI requested TMEA for support in developing a better system that would enhance service delivery and good governance.

b. Project designing

The designing of the new Certificate of Origin Management was based on the needs of KNCCI as the administering institution and the needs of businesses that it serves as the end user beneficiaries. Using a Human-Centred-Design (HCD) approach, the final architecture of the system is anchored on giving businesses served by KNCCI a fully online solution (end-to-end online process experience) where all points of interaction that were manual and physical are now virtual. The first step in the design work was the collection and documentation of requirements; TradeMark East Africa

in collaboration with KNCCI secretariat and a representative sample of their stakeholders conducted a detailed needs assessment. This process resulted in the generation of system requirement specifications and process workflows. These were later on validated by KNCCI and its stakeholders. The design phase also incorporated learning from the experience of others – KNCCI members visited their counterparts in Tanzania (the Tanzania Chamber of Commerce, Industry and Agriculture) who have gone through a process of automating their processes for the issuance of certificates of origin. The lessons learnt from the experience of TCCIA were incorporated in the design of the KNCCI platform; some of the lessons included – ensuring that the system was end-to-end automated incorporating automatic generation and transmission of certificates of origin electronically, ensuring automation of payment services through integration the system to banking systems and availing mobile money, and electronic card payment options. In addition to the Tanzania site visit, presentations from other Single Window systems that have implemented management of certificates of origin like Cameroon in West Africa were considered – meetings were held between TMEA, KNCCI and technical experts from the Cameroon Single Window in relation to their automation of certificate origin. The final design envisioned the delivery of a fit-for-purpose database and application for the management of certificate of origins, customer management and communications between KNCCI and its stakeholders. It also incorporated the delivery of a suitable infrastructure to host the solution. This would ensure minimal service disruption through setting up the core infrastructure and disaster recovery alternatives, a service interface to enable robust integration with external systems such as the Kenya National Single Window, banking service provider systems and Customs Administration, and Technical Assistance. The final component of the design was the development of an appropriate change management strategy that encompassed a sensitization and training plan for KNCCI and its stakeholders.

c. Project execution

The execution of the project was a joint collaboration between TMEA and KNCCI. TMEA utilised its in-house capacities to develop the system architecture, the programming and implementation of the application. KNCCI supported the change management activities.

d. Project objectives and goals

The solution aimed to enhance the capacity of KNCCI in effective management of the process of applying and issuing certificates of origin; this would result in reduction of cost and time taken by KNCCI and its stakeholders in managing certificates of origin. It also aimed at increasing transparency and accountability through e-governance in the process of managing certificates of origin to curb incidences of forgery, fraud and corruption arising from the manual process. Ultimately, the project aimed to bring convenience to businesses, particularly those in the agricultural sector. – With the manual processes, such business could not respond to urgent orders for horticulture and floriculture exports since it would take up to 3 days to acquire a certificate of origin.

e. Project delivery and management

TMEA handled all procurement of services and goods – using an efficient procurement process ensuring that goods and services were procured within defined timelines of the project plan. TMEA also managed the technical aspects of the project while KNCCI took the lead in stakeholder management. By leveraging on the competitive advantage of each organization the synergies created between KNCCI and TMEA were more than a donor-recipient relationship. The project management structure had two level – a Project Coordinating Committee that had oversight of the project and whose membership constituted the principle sponsor (the CEO of KNCCI) and the portfolio director from TMEA (the Kenya Country Program Director of TMEA) the other members of the PCC were management level individuals of both organization and representation of the KNCCI stakeholders. The second level was the Project Implementation Team that had membership from TMEA technical team (the ICT for Trade Programme) and the business process owners of KNCCI. The mix and match of management, technical experts and business owners ensured that project ownership and related risks were minimized and participation by all critical individuals were included in the project.

f. Project short term outputs

The project outputs were:

- i. *System deployment*: Designing, development, installation and commission of an integrated system to manage the application and issuance of certificates of origin.
- ii. *Implementation of System Integration Technology*: Designing and development of the integration platform to enable the KNCCI system communication and exchange information with other systems within and without KNCCI.
- iii. *Change Management Strategy*: Sensitization of stakeholders and auctioning of activities related to user and administrative/technical training for KNCCI and its stakeholders.

g. Project Short term outcomes

The project short-term outcomes were:

- i. *Increase in the number of certificates of origin issued*: The uptake of certificates of origin increased due to several factors – due to the convenience traders who would ordinarily not be complied, were now becoming compliant; there was a growth in the ability of traders to respond to urgent orders swiftly.

- ii. Related to the point above, *compliance levels in regards to using certificates of origin increased*.
- iii. *Increase in the revenue collected by the KNCCI*
- iv. *Increase the levels of integrity and transparency* in the management and issuance of the Certificates of Origin by KNCCI

h. Project Medium-term impacts

The main medium-term impact of the project have been

- i. *Reduction in the time taken to apply and issue Certificates of Origin:* Under the manual process it took an average of up to 84 hours (i.e. 3 and ½ days) to complete the process (i.e. application and issuance). Immediately after automating the process, the time was reduced to less than 12 hours. On average this has been a time reduction of 86% from the baseline. Reduction in the direct costs associated with application and issuance of Certificates of Origin: Traders would incur an average logistical cost of about US \$65 in and addition US \$10 in other indirect costs (this is without considering the opportunity costs). With automation in place the direct cost has gone down to less than US \$15 in logistical costs and US \$2 in indirect costs. For example, a survey on business exporting horticultural produce from Kenya to the European Union showed that under the manual process, such a business would buy booklets from KNCCI for about US \$10 for a book with 50 application forms (i.e. about US \$0.2). Upon filling in the form, they would have to send it with a messenger who would have to travel to Nairobi via road or courier the documents to their agents in Nairobi – this would cost in transportation cost about US \$20 return, US \$30 in accommodation cost, US \$15 allowances for the traveling employee. The automated process has reduced these costs by up to 75%.
- ii. *Integrity and transparency:* The minimal human interaction has eliminated loop holes and opportunities for corruption. . Before the initiative, incidences of forged certificates and/or issuance of certificates were reported. The system has brought better visibility and enhanced transparency and predictability in the process of administering and managing the process of applying and issuing certificates of origin.

Q10: Lessons learnt

- a. The KNCCI project was inclusive and consultative with every milestone in the delivery of the project being stakeholder-driven rather than donor-driven. Implementing a project that is inclusive and consultative with all stakeholders takes a lot of planning but when effectively done, the impact on the project is eased in change management – i.e. managing resistance to change, increase in ownership and buy-in, guarantee of the required support to make the project successful and above all, implementation of the project within the stipulate time and budgets, and attaining of the targeted results within specific timelines.
- b. The KNCCI project used a system's approach in its implementation i.e. the entire institution was considered in its entirety in terms of the service they offer to their stakeholder, the vision and mission and how the carry out their operations. This makes the system that was delivered for KNCCI fit within the organizational structure and therefore not detached and perceived as alien to the organization operations. This will guarantee sustainability of the system.
- c. The implementation of the system was a steep learning curve for KNCCI. The organization was transitioning from a manual environment to an automated environment and at the same time learning how to manage an ICT project of this magnitude. During automation of systems like in this case, an organization quickly learns how to adapt to its changing environment through a technology culture where the organization becomes customer-centric and focuses on how to improve service delivery to stakeholders.
- d. Reengineering the process and procedures with ICT is not only a matter of system development and commissioning of systems. In essence it is influencing organizational change by making the organization relook and re-think who they are from the perspective of their stakeholders (members and customers). Through this project and from the vision it created within the organization, the KNCCI for the first time held a national consultative forum where all regional membership associations and branches met jointly with the national executives and secretariat to understand the operations of the new mode of operating. This experience plus the use of the new system has created confidence within the organization and in government. Such confidence has now made KNCCI be bold to start requesting that they be given rights to manage other preferential certificates of origin.
- e. Systems can transform organization from inward looking to outward looking; this is the essence of a learning organization. TMEA's experience in the implementation of the KNCCI solution has been seeing it transform itself to a learning organization; this is where continuous improvement becomes a pillar on the organization i.e. it being driven by results and focus to achieve goals and targets. The impact of the TMEA funded project has been through inculcating a culture of monitoring and evaluating project implementation, results and impact of activities and projects.