International Trade Centre

UNITED NATIONS ESCAP
Economic and Social Commission for Asia and the Pacific

Digitalizing CoO - Sri Lanka's Journey Towards Success

Advancing cross-border paperless trade



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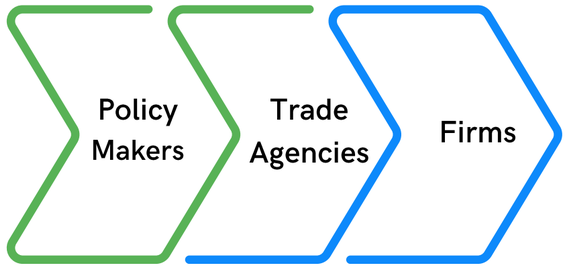
The International Trade Centre (ITC)

Fully dedicated to implementation of trade reforms



Reforms implementation
Capacity-building
Digital solutions
Market access



Joint agency of the UN and WTO

Rules of trade

Trade policy research and consensus

Implementation of trade reforms

Background

February 2021

ITC established the TF portal for Sri Lanka in line with Articles 1.1 & 1.2 of the WTO TFA

June 2021

Identification of complex and cumbersome procedures to be simplified

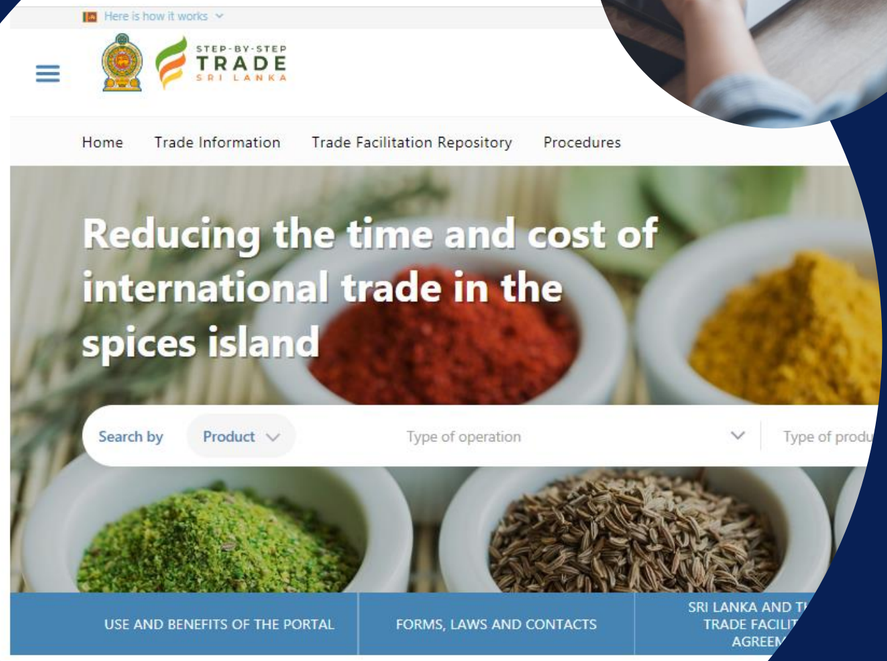
July 2021

Key areas identified for simplification & digitalization to benefit traders

2022

Implementation started on:
(i) Issuance of CoOs at the DoC
(ii) e-payment & document simplification at NPQS
(iii) Digitalization of EDB' stakeholders' registration & monitoring





Digitalization of Certificate of Origin

Background

Department of Commerce is the authorized agency in Sri Lanka to issue Certificates of Origin (CoOs) for trade taking place under preferential agreements and other trading arrangements.

Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

International Trade Centre

1. On average, DoC issues between 200 to 350 CoOs per day
2. In late 2015, a system was introduced for CoO issuance. The implementation faced challenges, and the system remained non-operational
3. As a result, exporters had to rely on paper-based documentation and physical presence of parties involved.
4. DoC made a formal request to ITC seeking technical assistance to develop a new system that would fully automate the CoO procedures
5. The request has been accommodated by the "Trade Facilitation for SMEs in Sri Lanka" project, funded by GIZ and implemented by ITC in partnership with the government of SL

Implementation process

Despite facing challenges, ITC and the DoC embarked on a journey to develop a new system

01 Consensus reached with RoO division to develop the new system

02 Business Process Analysis (BPA) conducted to assess the existing processes

03 Functionality report prepared, identifying gaps and requirements for improvement

04 Relevant approvals from the government obtained (NPD ,ERD and ICTA)

05 Sri Lankan software development company was selected

06 In January 2022, the company established a project office at the DoC with dedicated team

07 Requirement-gathering sessions conducted with DoC, private sector, other stakeholders



Implementation Process



Previous system was analyzed.



Data was gathered



Committees were established



System developed & trainings conducted



System was launched to the public

Project Management

Several committees were appointed to provide guidance, monitor progress, and engage stakeholders.

Steering Committee

The Steering Committee, comprising of key officials from the DoC, including the DG Commerce, head of divisions and ITC:

- Provided strategic guidance
- Addressed challenges throughout the development of the eCoO system.



Technical Committee

The Technical Committee, consisting of DoC officers and ITC:

- Guided and monitored the development of the eCoO system.
- Actively engaged with the software development company (technical guidance, clarifications, and feedback throughout the development process)



Project Management

Project Committee

The Project Committee, comprising representatives from the private sector across various industries and sizes:

- Actively contributed to the development of the eCoO system.
- Provided valuable inputs on the development work
- Participated in the testing of system components..



ITC team and software development company

ITC project team provided close guidance and monitoring. Regular follow-up meetings were held to ensure effective communication, track progress, and address any issues or challenges that arose during the development process.

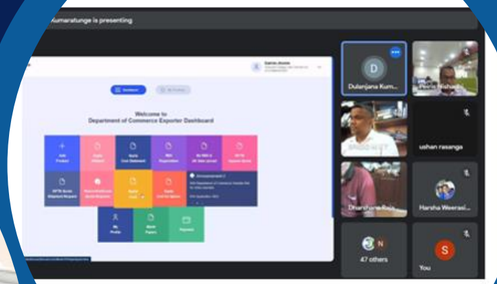


Training & Support - DoC



- Comprehensive training to DoC officers
- Individual training sessions
- Guiding DoC officers while on-the-job
- Training sessions for exporters
- User-friendly video tutorials were made available
- Helpdesk established





Training & Support - Traders

- Training materials, including user manuals and video tutorials, provided detailed instructions and guidance on using the eCoO system effectively.
- Helpdesk established and available for the first 2 months after the system implementation.

- Training sessions conducted at different stages of the eCoO system implementation. These sessions covered various aspects such as registration, applying for eCoOs, and the use of e-signature.
- Sector-specific training sessions for exporters of spices and perishables.



IT Infrastructure

To strengthen IT infrastructure:

- Conducted an IT infrastructure audit of the RoO Division and related divisions.
- Provided necessary IT equipment (PCs, laptops, scanners), and firewall.

Critical success factors:

- Collaboration with the DoC IT team for seamless integration of the new hardware.
- Partnership with the company providing the e-signature facilities.
- Collaboration with other service providers to enhance system functionality.

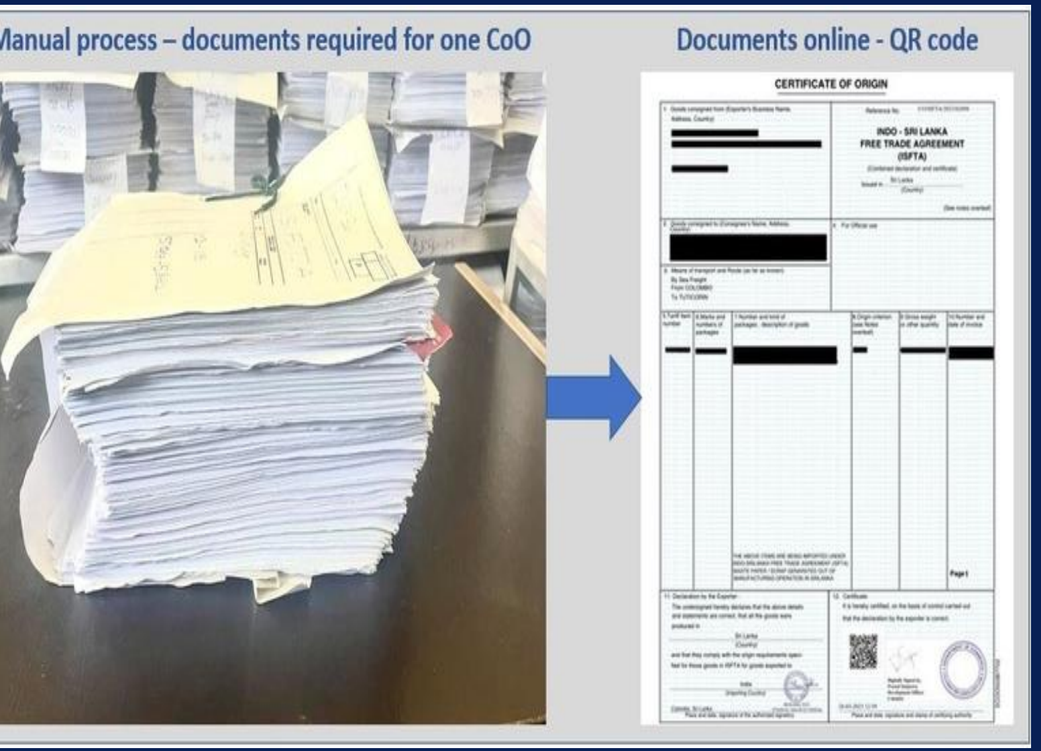
Implementation challenges and solutions

During the implementation of the eCoO system, several challenges were encountered and addressed with appropriate solutions.

The project team proactively tackled these implementation challenges through strategic planning, adaptability, stakeholder engagement, and effective change management practices. These efforts contributed to overcoming hurdles and successfully progressing with the development and implementation of the eCoO system.

- **COVID pandemic**
- **Sri Lanka economic crisis and social unrest**
- **Fuel crisis and power cuts**
- **Lack of SOPs & documentation**
- **Changes in leadership and personnel**

Impact



The development and implementation of eCoO have resulted in impressive achievements:

- **Time Reduction:** The time required to obtain a Certificate of Origin has been reduced by **94%** compared to the manual process.
- **Cost Elimination:** The introduction of eCoO has eliminated the processing costs.
- **Carbon Footprint Reduction:** Transitioning to a digital platform has eliminated the need for printing blank certificate papers, resulting in cost savings of over 2 million rupees and a significant reduction in carbon footprint for the DoC
- **Exporter satisfaction:** eCoO implementation has led to increased exporter satisfaction due to improved efficiency, time and cost savings, and a streamlined process.
- **Agencies Collaboration:** eCoO implementation has enhanced collaboration among multiple agencies involved in Certificates of Origin issuance and verification, including domestic agencies, border agencies, and importing country customs.



Nalaka Ratnayake
Dupty General Manager - Shipping
Hayleys Group

"Implementing the eCoO system has been a game-changer for our business. It has revolutionized the way we obtain Certificates of Origin, saving us valuable time and resources. The system's user-friendly interface and streamlined process have made it incredibly easy for us to navigate and complete our applications. The reduction in paperwork and elimination of manual processes have significantly improved efficiency and accuracy. We also appreciate the system's integration with various agencies and customs, facilitating seamless collaboration and ensuring smooth trade transactions".

THANK YOU

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