ASHI TRIALS REPORT - KENYA

SHIPPERS COUNCIL OF EASTERN AFRICA (SCEA)

Report on Tests Conducted To Ascertain Operability of an Advance Shipment Information System (ASHI) in Kenya

FINAL REPORT

June 2016
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1. ABOUT THIS REPORT

The results of a three month voluntary trial conducted in a live operating environment to determine the practicality of operationalizing an ADVANCE SHIPMENT INFORMATION SYSTEM (ASHI) in Kenya & to further validate the findings of a feasibility study that found it to be viable in the Kenyan context.

The trial was commissioned by the SHIPPERS COUNCIL OF EASTERN AFRICA (SCEA) and required exporters of goods to Kenya to participate VOLUNTARILY AND FREE OF CHARGE. The Trial was conducted between March – May 2016.

2. PURPOSE OF THIS REPORT

The objective of this assignment is to document the findings and conduct an analysis of the outcome of the trials in Kenya and produce a final report including recommendations on the way forward.

The Trials were conducted to ascertain the following:

1. The PRACTICALITY OF OPERATIONALIZING the Advance Cargo Shipment Information System in Kenya.

   To Further Validate its Potential to:


3. INCREASE EFFICIENCY in the Importation Value Chain in Kenya thereby REDUCING the COST of Doing Business & Enhancing Competitiveness

4. REDUCE REVENUE LEAKAGES at the Customs Services Department.

5. Enhancing REGULATORY COMPLIANCE at Cargo Clearance Interveners.

6. Enhancing SECURITY COMPLIANCE.

7. Provide Requisite TRADE STATISTICS.

   With the potential of Making Shippers and the REGION MORE COMPETITIVE and Accruing FINANCIAL & ECONOMIC BENEFITS to the ECONOMY at Large.
3. **EXECUTIVE SUMMARY:**

In part fulfilment of its mandate and the recommendations of the Mombasa Port Community Charter on pre-clearance of goods, SCEA commissioned a feasibility study in July 2015 to establish the viability of implementing an Advance Shipment Information System (ASHI) in Eastern Africa. The study found the system to be feasible but recommended that it be trialed in a live operating environment to further validate the findings of the study and to provide market information by allowing consumers to examine, use or test the ASHI and determine its benefits, unforeseen outcomes, determine its practicability and suitability of its operationalization in the unique Eastern Africa Context.

3.1. **SCEA OVERVIEW**

The Shippers’ Council of Eastern Africa (SCEA) is a business membership organization that represents the interests of importers and exporters in Kenya and the Eastern Africa Region. It provides a platform to articulate their concerns and demands to service providers and government regulatory institutions.

Its mandate is to advocate for an improved policy and trade environment, educate shippers on their rights and obligations in import and export trade, interpret government regulations and procedures, and provide a platform for sharing experiences through networking forums, training and awareness workshops and policies that promote competitiveness of shippers and the region as an investment hub. It is run by a 13 member sector representative board of Directors elected in an AGM drawn from key sectors in manufacturing, logistics and importers. The daily activities of SCEA are managed by a robust secretariat with 4 departments whose activities are guided by a strategic plan reviewed every 3 years.

**SCEA Vision Statement**

‘An Efficient Logistics Chain that Enhances the Competitiveness of Cargo Owners in Eastern Africa’

**SCEA Mission Statement**

‘To Offer Proficient, Research Based Advocacy and Value-Add Services to Cargo Owners’

3.2. **PROJECT SCOPE**
The ASHI trials were conducted in Kenya between March – May 2016 will be evaluated using international standard project evaluation criteria as follows;

- **RELEVANCE**: To establish whether the ASHI is relevant or significant relative and in correlation to local and national requirements and priorities.
- **EFFECTIVENESS**: To determine whether the ASHI is capable of fulfilling the intended objectives within the importation value chain and the economy at large.
- **EFFICIENCY**: To determine if the ASHI can be implemented to achieve the desired objectives in a cost effective manner that ensures economical use of resources and eliminates wastage.
- **IMPACT**: To establish if the ASHI has positive primary and secondary long-term effects on intended beneficiaries.
- **SUSTAINABILITY**: That the beneficial impact and effect of the implementation is sustainable.
- **OPERABILITY**: The Report also sought to establish the practicality of operationalizing the system in Kenya.

### 3.3. Findings & Recommendations

The ASHI trials determined that the system was potentially effective and impactful based on the determined needs and expectations of stakeholders and was capable of fulfilling the core objectives as follows;

- Enhancing efficiency in customs and port procedures
- Reducing the cost of doing business thereby making shippers and the country more competitive
- Significantly Eliminating fraud and corruption thereby increasing revenue collection
- Increasing Security Compliance
- Providing requisite trade statistics

The ASHI was also found to be efficient on the premise that it can be deployed without any direct cost to shippers, government or other regulatory authorities in Kenya and is web based, requires minimum bandwidth and a standard computer without any bespoke software to operate.

The report therefore recommends that the ASHI is RELEVANT to Kenya’s development aspirations in general and beneficial to Shippers and should be operationalized in Kenya initially and subsequently in the Eastern Africa region.

The trials determined that the ASHI by design was adaptable to country specific requirements from an operational, functional and technical perspective.
It was also determined that the Kenyan customs environment had existing ICT based systems such as the SIMBA, KWATOS etc. and these systems were integrated with the KNESWS.

This report recommends that the ASHI should integrate with the existing systems through the KNESWS which would receive the advance preclearance data and disseminate to the various agencies as it was already integrated to the various customs and intervening agencies systems.

The report identified the following critical stakeholders that must support the ASHI for it to be successfully implemented and remain sustainable:
- Kenya Revenue Authority
- KENTRADE
- Shippers Council of Eastern Africa (SCEA)
- Kenya Ports Authority (KPA)
- Exporters
- ASHI Service Provider

The report recommends that the project undertakes a lobbying and advocacy campaign to sensitize key stakeholders on the benefits of the ASHI and the outcome of the trials to get their full support, buy in and participation.

Subsequent to getting key stakeholder support the project sponsor should seek to establish a steering committee comprising representatives of the key stakeholder groups to draw up an implementation plan and get stakeholder ownership.
4. **EVALUATION CRITERIA**

The ASHI trials were conducted in Kenya between March – May 2016 will be evaluated using international standard project evaluation criteria as follows:

- **RELEVANCE:** To establish whether the ASHI is relevant or significant relative and in correlation to local and national requirements and priorities.
- **EFFECTIVENESS:** To determine whether the ASHI is capable of fulfilling the intended objectives within the importation value chain and the economy at large.
- **EFFICIENCY:** To determine if the ASHI can be implemented to achieve the desired objectives in a cost effective manner that ensures economical use of resources and eliminates wastage.
- **IMPACT:** To establish if the ASHI has positive primary and secondary long-term effects on intended beneficiaries.
- **SUSTAINABILITY:** That the beneficial impact and effect of the implementation is sustainable.
- **OPERABILITY:** The Report also sought to establish the practicality of operationalizing the system in Kenya.

4.1. **Effectiveness:**

This will examine the whether the ASHI trials have proven its potential to fulfil its objectives as an intervention taking into account their relative importance.

Have the objectives of the development intervention been achieved? How big is the effectiveness or impact of the project compared to the objectives planned?

4.2. **Efficiency:**

This will measure the extent to which the trials have demonstrated that the ASHI can be implemented and operationalized through economical use of resources/ inputs (funds, expertise, time, etc.) and the ratio of conversion of the said resources to desired results.

It will examine whether the relationship between input of resources and results achieved are appropriate and justifiable. What is the cost-benefit ratio?
4.3. **IMPACT:**
The report will examine the positive and negative, primary and secondary long-term effects produced by the intervention, directly or indirectly, intended or unintended.

- What has happened or will happen as a result of the project?
- What real difference can the ASHI make to the beneficiaries?
- How many people have been affected?
- Does the intervention contribute to the achievement of overall development objectives (tendentially, overall goal)?
- What is or are the **impact(s) /effects** of the intervention compared to the total situation of the target group or those affected?
- Positive and negative, intended and unintended effects
- Technical, economic, social, cultural, political, ecological effects.

4.4. **SUSTAINABILITY:**
The report will examine whether the trials have demonstrated the ability of the project to continue generating benefits through a self-supporting mechanism devoid of external funding or support and can be sustainable in the long term.

The report will examine the probability of continued long-term benefits. The resilience to risk of the net benefit flows over time. Are the positive effects sustainable? How is the sustainability or the continuity of the intervention and its effects to be assessed?

4.5. **TECHNICAL & OPERATIONAL VIABILITY**
The report will set out to determine whether the trials have established the technical and operational viability in the Kenyan context
5. **Project Organization**

The trial was driven by a Project Steering Committee comprising the Shippers Council of Eastern Africa Secretariat, an Independent Consultant and a Technical Implementation & Advisory Team under the overall stewardship of the Chief Executive Officer of SCEA reporting to the SCEA Board with membership drawn from key sectors in manufacturing, logistics and importers.

**Steering Committee Mandate:** The Project Steering Committee was mandated to drive the project into successful completion. The committee was tasked with the following responsibilities:

- Maintaining the key objectives of the project
- Technical Implementation and Oversight
- Tracking the progress and direction of the project
- Reviewing the deliverables at each milestone
- Maintaining the project momentum and buy-in within the organization and amongst stakeholders
- Project Communication
- Compilation of Project Report and Recommending a Way Forward

6. **Trial Design**

In part fulfilment of its mandate to seek an enhanced efficiency of the logistics value chain with a view to reducing the cost of doing business and increasing competitiveness of shippers in Kenya and the Eastern Africa region at large, SCEA commissioned a feasibility study in August 2015 to establish the viability of implementing an Advance Cargo Information System which was also in line with recommendations of the Mombasa Port Community Charter on Pre-Clearance of Goods.

The study established that an Advance Cargo Shipment Information System was viable as a means to increase efficiency thereby reducing the cost of doing business and also accrued other economic benefits.
It further established that the Electronic Cargo Tracking Note (ECTN) also variously referred to as the Advance Shipment Information System (ASHI) which is the most widely used version of the Advance Shipment Information System was already in use in 11 African Countries and was capable of resolving the following problems:

ii. INCREASE EFFICIENCY in the Importation Value Chain in Kenya thereby REDUCING the COST of Doing Business & Enhancing Competitiveness
iii. REDUCE REVENUE LEAKAGES at the Customs Services Department.
iv. Enhancing REGULATORY COMPLIANCE at Cargo Clearance Interveners.
v. Enhancing SECURITY COMPLIANCE.
vi. Provide Requisite TRADE STATISTICS.

The report concluded that the above outcomes had the potential of Making Shippers and the REGION MORE COMPETITIVE and Accruing FINANCIAL and ECONOMIC BENEFITS to the ECONOMY at Large.

To this end the council sought partnership a service provider for the provision, implementation and support of the System cost effectively for the benefit of its members and other stakeholders and with a proven track record and experience in Africa and a footprint in Kenya’s key import and export destinations.

SCEA partnered with Antaser Afrique BVBA, the providers of the ECTN for the Trial.

6.1. **Advance Cargo Shipment Information System Features & Functionality**

The ASHI is an official electronic web based maritime document that contains fundamental information on shipped cargoes and is filled in by exporters of goods providing critical preclearance information to authorities in the cargo destination country enabling them to undertake efficient clearing and handling of the said cargo with significant reductions in risk, delays or loss of customs related revenue.

The ASHI provides but is not limited to the following functionalities:
- Shipper/Forwarder/Consignee and Notify Party details (containing names, addresses and phone numbers)
- Shipment details: shipping line, loading/transshipping/discharging vessel, voyage number, ETS, ETA, ports of loading/transshipment/arrival
- Incoterms, cargo description and corresponding Harmonized System (HS) Code
- Cargo value and country of origin
- Mode of Shipment: FCL, LCL, Roro, Conventional or Bulk
- Cargo details: weight and volume, dangerous goods details kind and number of packages container type/size/numbers, chassis numbers and date of first registration (vehicles)
- Freight rate and additional charges (BAF, CAF, insurance and others)
- Date, place of issuance and number of Bill of Lading
- Copies of following documents for controlling purposes:
  - Commercial invoice
  - Packing list
  - Export customs declaration
  - Bill of Lading
  - Freight invoice

The system makes the above information available to selected stakeholders electronically at least 48 Hours after dispatch from the port of origin.

The ASHI System is customizable and can be re-engineered and configured to include additional functionality within reason, that is country needs specific.

6.2. Trial Implementation Process
1. Project Steering Committee was constituted to implement and oversee the trial.
2. An Elaborate Trial and Implementation Plan was developed with clear deliverables, timeframes and deliverables.
3. Implementation Infrastructure, Software Configuration and Training of support staff undertaken.
4. An Advance Cargo Shipment Information system partner identified and a T.O.R and Terms of engagement agreed.
5. Stakeholders were identified and a stakeholder engagement and communication strategy was developed and executed.
6. All Stakeholders including shipping lines, Shipping Agents, Importers, Clearing and Forwarding Agents, Regulatory Authorities, Interveners and all parties were contacted and their engagements agreed upon.

The exporters of goods to Kenya were expected to participate via the following measures and processes voluntarily:

1. REGISTRATION: Access the Service Website and register their details and shipment information as follows:
   - Consignee Details
   - Destination Ports
   - Vessels & Carriers
- Mode Of Shipment
- HS Codes Etc.
- Dangerous Goods

2. CONFIRMATION:  The Shipper Receives A Confirmation E-Mail And A User Account Is Also Created.

3. UPLOAD CUSTOMS DOCUMENTS: The user is required to upload customs transaction documents into the system as follows:
   - Bill of Lading
   - Commercial Invoice
   - Customs Declaration
   - Description of Goods and Packing Lists

4. PRE-VALIDATE: once all fields have been completed (except the BL-date and –number and uploaded BL copy and freight invoice), the user can pre-validate his ASHI, which will allow him to receive the ASHI-number. This number can be transmitted to the shipping line in order to obtain the required BL number.

5. VALIDATE: once the BL-number and date have been completed and BL copy and freight invoice uploaded, the ASHI can be submitted for validation. The ASHI will be controlled by the administrator and within 2 working days the user will be notified by email about the final validation or possible remarks

6. RECEIPT OF INFORMATION IN DESTINATION COUNTRY (KENYA): Within approximately 48 hours after validation, the shipment information becomes available in Kenya with sufficient data to enable customs to make a release decision. For most countries of origin for Kenyan Imports, this information would become available to intervenors well advance of the ship manifest.
6.3. Project Trial Design - Timelines

Advance Shipment Information System Trial Timelines

- **June - Aug 2015**
  - Feasibility Study

- **Feb - Mar 2016**
  - Capacity Building (SCEA)
  - Stakeholder Engagement
  - Ground Laying & Media
  - Software Configuration

- **Mar - Apr 2016**
  - Launch of Live Trials
  - User Sensitization
  - User Support
  - Monitoring & Evaluation

- **May - Jun 2016**
  - Collation of Data
  - Data Analysis
  - Compilation of Final Report

- **Jun - Aug 2016**
  - Stakeholder Engagement
  - Implement Recommendations
7. Methodology & Approach

The consultant adopted two approaches in gathering information. These included analysis of system results and outputs, discussion forums/interviews with industry stakeholders for primary data and desk study review of relevant material from secondary sources.

Secondary Information

For secondary information, the consultant gathered information regarding the logistics industry from various sources including public documents, reports, newspaper articles and industry websites. Reference was also made on studies undertaken in the logistics industry. In addition, relevant documents such as the internal Shippers Council documents including

- Advance Cargo Shipment Information System Feasibility Study
- SCEA Logistics Performance Survey Reports for Eastern Africa
- Kenya Manufacturers Association Trade Facilitation Reports
- Mombasa Port Community Charter.

Primary Information

Primary information was collected from the Advance Cargo Shipment Information System Reports and Outputs, informative discussions and interviews with stakeholders. The purpose was to:

- Get 1st Hand Raw Data for Analysis
- Understand the stakeholder organizations needs
- Get the opinions and feelings of stakeholders towards implementation of an advance cargo shipment information system
- Generate up-to-date data
- Validate the findings from the secondary information sources

Consultative sessions were held with stakeholder representatives. These sessions are focused at gathering information on the operations, with a focus on pre clearance opportunities, business constraints, and the interviewee’s opinions regarding opportunities for improvement.
7.1. **Stakeholder Consultation**

**Target Group and Beneficiaries**
The ASHI Feasibility study identified the critical stakeholders that must take action for the ASHI to be operationalised at the inception stage. It identified the Ministry of Finance & National Treasury, Customs Services Department of the Kenya Revenue Authority, KENTRADE, the Kenya Ports Authority, The shippers Council of Eastern Africa, Importers, Exporters and the ASHI Service Provider. Other stakeholders become critical at different phases of the project implementation.

The ASHI Trial steering committee developed a stakeholder engagement and communication strategy that targeted the above stakeholders for the purposes of the trial.

<table>
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<tr>
<th>ASHI Trial Partnerships</th>
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<tbody>
<tr>
<td><strong>Stakeholder</strong></td>
</tr>
<tr>
<td>Exporters to Kenya</td>
</tr>
<tr>
<td>ASHI Service Providers</td>
</tr>
<tr>
<td>Stakeholder</td>
</tr>
<tr>
<td>------------------------------------------------</td>
</tr>
<tr>
<td>Shipping Lines &amp; Agents</td>
</tr>
<tr>
<td>Kenyan Importers</td>
</tr>
<tr>
<td>Shippers Council of Eastern Africa (SCEA)</td>
</tr>
<tr>
<td>Customs Services Department (KRA)</td>
</tr>
<tr>
<td>KENTRADE</td>
</tr>
<tr>
<td>to KRA, KPA, cargo owners and all interveners.</td>
</tr>
<tr>
<td>Kenya Ports Authority (KPA)</td>
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<td></td>
</tr>
</tbody>
</table>

### 7.2. Stakeholder Meetings

The ASHI Steering Committee engaged various stakeholders on varied dates to undertake sensitization, information and seek their participation in the ASHI Trials and their subsequent long term uptake.

#### MEETING 1

<table>
<thead>
<tr>
<th>STAKEHOLDER</th>
<th>Kenya Maritime Authority</th>
</tr>
</thead>
<tbody>
<tr>
<td>DATE</td>
<td>23rd March 2016</td>
</tr>
<tr>
<td>LOCATION</td>
<td>Kenya Maritime Authority Offices, Mombasa</td>
</tr>
<tr>
<td>PRESENT</td>
<td>1. Mr. John Omingo, Head of Commercial Shipping, KMA</td>
</tr>
<tr>
<td></td>
<td>2. Ms. Tumaini Namoya, Monitoring Officer, KMA</td>
</tr>
<tr>
<td>CONSULTATIONS</td>
<td></td>
</tr>
<tr>
<td>STAKEHOLDER</td>
<td>Kenya Maritime Authority</td>
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<tr>
<td>MEETING 2</td>
<td></td>
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<td>-----------</td>
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</tr>
<tr>
<td><strong>STAKEHOLDER</strong></td>
<td>Kenya Ports Authority</td>
</tr>
<tr>
<td><strong>DATE</strong></td>
<td>23rd March 2016</td>
</tr>
<tr>
<td><strong>LOCATION</strong></td>
<td>Kenya Ports Authority Offices, Mombasa</td>
</tr>
<tr>
<td><strong>PRESENT</strong></td>
<td>Ms. Fatma Nabhany, Head of ICT</td>
</tr>
</tbody>
</table>

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<tr>
<th>MEETING 3</th>
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<tbody>
<tr>
<td><strong>STAKEHOLDER</strong></td>
<td>Kenya Ship Agents Association</td>
</tr>
<tr>
<td><strong>DATE</strong></td>
<td>23rd March 2016</td>
</tr>
<tr>
<td><strong>LOCATION</strong></td>
<td>Kenya Ship Agents Association Offices, Mombasa</td>
</tr>
<tr>
<td><strong>PRESENT</strong></td>
<td>Mr. Nandan Warrier — Managing Director PIL</td>
</tr>
</tbody>
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<tr>
<th>MEETING 4</th>
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</thead>
<tbody>
<tr>
<td><strong>STAKEHOLDER</strong></td>
<td>Mombasa Port Community</td>
</tr>
<tr>
<td><strong>DATE</strong></td>
<td>25th March 2016</td>
</tr>
<tr>
<td><strong>LOCATION</strong></td>
<td>Mombasa Port Boardroom, Mombasa</td>
</tr>
<tr>
<td>PRESENT</td>
<td></td>
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<tr>
<td>------------------</td>
<td></td>
</tr>
<tr>
<td>Kenya Maritime Authority (KMA) - Chair</td>
<td></td>
</tr>
<tr>
<td>Kenya Ports Authority (KPA)</td>
<td></td>
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<tr>
<td>Northern Corridor Transport &amp; Transit Coordination Authority (NCTTCA)</td>
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<tr>
<td>Kenya Revenue Authority (KRA)</td>
<td></td>
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<tr>
<td>Kenya National Highways Authority (KENHA)</td>
<td></td>
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<tr>
<td>Mombasa County Government</td>
<td></td>
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<tr>
<td>Kenya Ship Agents Association (KSAA)</td>
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<tr>
<td>Kenya International Freight &amp; Warehousing Association (KIFWA)</td>
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<tr>
<td>Container Freight Stations Association (CFSA)</td>
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<tr>
<td>Kenya Police Service</td>
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</tbody>
</table>
7.3. **Anticipated Stakeholder Benefits**

<table>
<thead>
<tr>
<th>Benefits</th>
<th>Target/ Beneficiaries</th>
</tr>
</thead>
<tbody>
<tr>
<td>The system will provide credible information on cargoes from the manufacturing place to the port and its transition to the berthing port containing information related to cargo and its movements between ports.</td>
<td>KENTRADE, KPA</td>
</tr>
<tr>
<td>ASHI will significantly reduce the period within which intervening authorities involved in the process of clearance of imported cargo in the Eastern Africa region receive information and requisite documentation.</td>
<td>KRA, KPA, Shipper</td>
</tr>
<tr>
<td>The system will allow receipt of information up to 480 hours earlier than the current 48 hours thus offering significant opportunities for efficiency and cost savings in the importation value chain by providing sufficient data for a release decision to be taken prior to the arrival of goods. Proper planning and allocation of resources aided by advanced information inevitably reduces delays, enhances efficiency and translates into significant cost reductions.</td>
<td>KPA, Shipper</td>
</tr>
<tr>
<td>The system can be integrated with the customs SIMBAS TRADENET system to provide requisite information to facilitate pre clearance of goods. The system also has inherent capacity for integration with the KPA Terminal operating System KWATOS enabling receipt of precise information on cargo prior to arrival allowing for making efficient vessel and berthing plans, ship working operations, effective yard plans, manifest mapping, security profiling, information on weights for weighbridges and transporters.</td>
<td>KPA, KRA</td>
</tr>
<tr>
<td>The System provides verified cargo information to the destination port. This reduces or eliminates opportunities to tamper with the description and value of goods and other information that determines duty and other compliance related data such as standards at the destination port, in this case Mombasa.</td>
<td>KRA, KPA, Security agencies</td>
</tr>
<tr>
<td>The system will aid in significantly reducing false declaration, under valuation and mis-declaration since the provision of information will be done by the exporter in the country of origin and verification of the said information by ASHI services providers or other credible entities.</td>
<td>KRA, KPA</td>
</tr>
</tbody>
</table>
8. Trial Results

8.1. Shippers Uptake of the ASHI Services

The uptake of the ASHI Services was different for each month. April experienced the highest uptake, this was attributed to the fact that different stakeholders had received communication and that April had more days compared to March and May which had 13 and 18 days respectively, based on the trial start and end dates. Below is a bar chart showing different uptakes for every month.

<table>
<thead>
<tr>
<th>Year and Month</th>
<th>Number of ASHI's</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016 March</td>
<td>118</td>
</tr>
<tr>
<td>2016 April</td>
<td>678</td>
</tr>
<tr>
<td>2016 May</td>
<td>366</td>
</tr>
<tr>
<td>Total</td>
<td>1162</td>
</tr>
</tbody>
</table>
8.2. Products Covered by the ASHI During the Trial Period

The Harmonized Commodity Description and Coding System, also known as the Harmonized System (HS) of tariff nomenclature is an internationally standardized system of names and numbers to classify traded products. The Code serves to reduce the expense incurred by re-describing, reclassifying and recoding goods as they move from one classification system to another in the course of international trade and to facilitate the standardization of trade documentation and the transmission of data. During the trial period the ASHI System captured and presented shipments to Kenya by HS Codes presented in a varied choice of graphical interfaces ranging from Graphs to Pie Charts and Combo Charts. Different products were covered by the ASHI’s, as shown below:
The table below shows details of the imports into Kenya covered by the ASHI System during the trial period by HS Code Classification:

<table>
<thead>
<tr>
<th>HS CODES</th>
<th>Number of ASHI’s</th>
</tr>
</thead>
<tbody>
<tr>
<td>84 - Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof</td>
<td>233</td>
</tr>
<tr>
<td>48 - Paper and paperboard; articles of paper pulp, of paper or of paperboard</td>
<td>160</td>
</tr>
<tr>
<td>39 - Plastics and articles thereof</td>
<td>150</td>
</tr>
<tr>
<td>85 - Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts and accessories of such articles.</td>
<td>122</td>
</tr>
<tr>
<td>63 - Other made-up textile articles; sets; worn clothing and worn textile articles; rags</td>
<td>119</td>
</tr>
<tr>
<td>87 - Vehicles other than railway or tramway rolling stock, and parts and accessories thereof.</td>
<td>101</td>
</tr>
<tr>
<td>38 - Miscellaneous chemical products</td>
<td>95</td>
</tr>
<tr>
<td>29 - Organic chemicals</td>
<td>62</td>
</tr>
<tr>
<td>72 - Iron and steel</td>
<td>48</td>
</tr>
<tr>
<td>32 - Tanning or dyeing extracts; tannins and their derivatives; dyes, pigments and other coloring matter; paints and varnishes; putty and other mastics; inks.</td>
<td>14</td>
</tr>
<tr>
<td>73 - Articles of iron or steel</td>
<td>44</td>
</tr>
<tr>
<td>22 - beverages, spirits</td>
<td>36</td>
</tr>
<tr>
<td>28 - Inorganic chemicals; organic and inorganic, compounds of precious metals, of rare earth metals, of radioactive elements or of isotopes.</td>
<td>36</td>
</tr>
<tr>
<td>99 - Special combined nomenclature codes</td>
<td>33</td>
</tr>
<tr>
<td>27 - Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes.</td>
<td>32</td>
</tr>
<tr>
<td>94 - Furniture; bedding, mattresses, mattress supports, cushions and similar stuffed furnishings; lamps and lighting fittings, not elsewhere specified or included; illuminated signs, illuminated nameplates and the like: prefabricated buildings.</td>
<td>30</td>
</tr>
<tr>
<td>40 - Rubber and articles thereof</td>
<td>29</td>
</tr>
<tr>
<td>33 - Essential oils and resinoids, perfumery, cosmetic or toilet preparations.</td>
<td>27</td>
</tr>
<tr>
<td>76 - Aluminum and articles thereof.</td>
<td>26</td>
</tr>
<tr>
<td>25 - Salt; Sulphur; earth and stone; plastering materials, lime and cement.</td>
<td>23</td>
</tr>
<tr>
<td>34 - Soap, organic surface-active agents, washing preparations, lubricating preparations, artificial waxes, prepared waxes, polishing or scouring preparations, candles and similar articles, modeling pastes ‘dental waxes’ and dental preparations with a basis of plaster</td>
<td>23</td>
</tr>
</tbody>
</table>
90- Optical, photo etc., medic or surgical instruments &nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&nbsp;&n...
8.3. ASHI by Region of Origin

The ASHI System captured, collated and presented exports to Kenya during the trial period presented in a varied choice of graphical interfaces ranging from Graphs to Pie Charts and Combo Charts. Europe had the highest number of ASHIs which reflected in the high of number exports to Kenya. The pie chart below and table gives further information.

<table>
<thead>
<tr>
<th>Region of Origin</th>
<th>ASHI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>550</td>
</tr>
<tr>
<td>Far East</td>
<td>223</td>
</tr>
<tr>
<td>Indian Sub-continent</td>
<td>164</td>
</tr>
<tr>
<td>North America</td>
<td>73</td>
</tr>
<tr>
<td>Russia/Georgia/Ukraine</td>
<td>30</td>
</tr>
<tr>
<td>Middle East</td>
<td>61</td>
</tr>
<tr>
<td>Africa</td>
<td>29</td>
</tr>
<tr>
<td>South east Asia</td>
<td>27</td>
</tr>
<tr>
<td>South America</td>
<td>5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1162</strong></td>
</tr>
</tbody>
</table>
8.4. **FOB value per HS code**

This section illustrates the different FOB values for different goods classified under HS codes. Nuclear reactors and other products under HS codes 84 were the highest and recorded an FOB value of 39 million dollars. HS code 68 which was articles of stone, plaster, cement, asbestos, mica or similar materials were the lowest recording an FOB value of 423,000 $. Below is the graph and table showing the comprehensive figures;
The different FOB values for different goods classified under HS codes above have been tabulated as follows:

<table>
<thead>
<tr>
<th>DESCRIPTION OF GOODS</th>
<th>FOB value($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>84 - Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof</td>
<td>39m</td>
</tr>
<tr>
<td>85 - Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts and accessories of such articles.</td>
<td>15m</td>
</tr>
<tr>
<td>87 - Vehicles other than railway or tramway rolling stock, and parts and accessories thereof.</td>
<td>11m</td>
</tr>
<tr>
<td>39 - Plastics and articles thereof</td>
<td>8m</td>
</tr>
<tr>
<td>38 - Miscellaneous chemical products</td>
<td>9m</td>
</tr>
<tr>
<td>22 - Beverages, spirits and vinegar</td>
<td>3m</td>
</tr>
<tr>
<td>48 - Paper and paperboard; articles of paper pulp, of paper or of paperboard</td>
<td>3m</td>
</tr>
<tr>
<td>72 - Iron and steel</td>
<td>8m</td>
</tr>
<tr>
<td>73 - Articles of iron or steel</td>
<td>4m</td>
</tr>
<tr>
<td>19 - Preparations of cereals, flour, starch or milk; pastrycooks' products</td>
<td>2m</td>
</tr>
<tr>
<td>94 - Furniture; bedding, mattresses, mattress supports, cushions and similar.</td>
<td>3m</td>
</tr>
<tr>
<td>29 - Organic chemicals</td>
<td>3m</td>
</tr>
<tr>
<td>33 - Essential oils and resinoids; perfumery, cosmetic or toilet preparations</td>
<td>2m</td>
</tr>
<tr>
<td>32 - Tanning or dyeing extracts; tannins and their derivatives; dyes, pigments and other coloring matter; paints and varnishes; putty and other mastics; inks.</td>
<td>3m</td>
</tr>
<tr>
<td>76 - Aluminum and articles thereof</td>
<td>4m</td>
</tr>
<tr>
<td>34 - Soap, organic surface-active agents, washing preparations, lubricating preparations, artificial waxes, prepared waxes, polishing or scouring preparations, candles and similar articles, modeling pastes ‘dental waxes’ and dental preparations with a basis of plaster</td>
<td>2m</td>
</tr>
<tr>
<td>74 - Copper and articles thereof</td>
<td>2m</td>
</tr>
<tr>
<td>83-Miscellaneous articles of base metal</td>
<td>1m</td>
</tr>
<tr>
<td>63-Other made-up textile articles; sets; worn clothing and worn textile art</td>
<td>1m</td>
</tr>
<tr>
<td>28-Inorganic chemicals; organic or inorganic compounds of precious metals</td>
<td>1m</td>
</tr>
<tr>
<td>96-Miscellaneous manufactured articles</td>
<td>560k</td>
</tr>
<tr>
<td>23-Residues and waste from the food industries; prepared animal fodder</td>
<td>590k</td>
</tr>
<tr>
<td>90- Optical, photographic, cinematographic, measuring, checking, precision.</td>
<td>2m</td>
</tr>
<tr>
<td>69- Ceramic products</td>
<td>586k</td>
</tr>
<tr>
<td>68-Articles of stone, plaster, cement, asbestos, mica or similar materials</td>
<td>423k</td>
</tr>
<tr>
<td>Others</td>
<td>17.866m</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>152.025m</strong></td>
</tr>
</tbody>
</table>
8.5. FCL Containers By Region Of Origin
The ASHI System captured data relating to Full Cargo Load (FCL) to Kenya during the trial period. **FCL** is an international ISO standard referring to one *(full) container load* (20” or 40”) containing cargo for one consignee (one importer). The vast majority of the FCLs originated from Europe followed by far east and regions like Russia, Georgia and Ukraine. The bar chart below offers a graphical presentation of the FCLs during the trial period.
The data presented in the bar chart above is tabulated below:

<table>
<thead>
<tr>
<th>Region of origin</th>
<th>FCL containers</th>
<th>FCL 20’</th>
<th>FCL 40’ (+ other)</th>
<th>FCL TEUs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>954</td>
<td>483</td>
<td>1629</td>
<td>483</td>
</tr>
<tr>
<td>Far East</td>
<td>338</td>
<td>177</td>
<td>878</td>
<td>177</td>
</tr>
<tr>
<td>Indian Subcontinent</td>
<td>318</td>
<td>172</td>
<td>461</td>
<td>172</td>
</tr>
<tr>
<td>North America</td>
<td>209</td>
<td>18</td>
<td>609</td>
<td>18</td>
</tr>
<tr>
<td>Africa</td>
<td>52</td>
<td>44</td>
<td>43</td>
<td>44</td>
</tr>
<tr>
<td>Middle East</td>
<td>168</td>
<td>41</td>
<td>385</td>
<td>41</td>
</tr>
<tr>
<td>South east Asia</td>
<td>54</td>
<td>29</td>
<td>109</td>
<td>29</td>
</tr>
<tr>
<td>Russia/Georgia/Ukraine</td>
<td>172</td>
<td>37</td>
<td>244</td>
<td>37</td>
</tr>
<tr>
<td>South America</td>
<td>24</td>
<td>11</td>
<td>39</td>
<td>11</td>
</tr>
</tbody>
</table>

### 8.6. RORO by Region of Origin

Roll on/Roll off (Roro) mainly consists of machinery that is driven onto and out of the ship on their own wheels. This include; cars, trucks, semi-trailer trucks, trailers and rail road cars. Far East recorded 150 vehicles while regions such as Russia/Georgia/Ukraine had no vehicle exports to Kenya. The bar chart below elaborates further.

Following is a tabulation of the RORO Units covered during the trial period:

<table>
<thead>
<tr>
<th>Region Of Origin</th>
<th>RoRo(&lt;5t)</th>
<th>RoRo(&gt;=5t)</th>
<th>RoRo(All)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>11</td>
<td>36</td>
<td>47</td>
</tr>
<tr>
<td>Far East</td>
<td>0</td>
<td>75</td>
<td>75</td>
</tr>
<tr>
<td>Indian Subcontinent</td>
<td>0</td>
<td>11</td>
<td>11</td>
</tr>
<tr>
<td>North America</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Africa</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Middle East</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Russia/Georgia/Ukraine</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>South America</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>11</strong></td>
<td><strong>123</strong></td>
<td><strong>134</strong></td>
</tr>
</tbody>
</table>
The above tabulated RORO Units covered during the trial period are captured below in a graphical presentation on a bar chart:
8.7. Bulk/Conventional

The ASHI System captured volumes of Bulk / Conventional Cargo imported into Kenya. This data was captured, collated and tabulated by type, volume and country of origin. Bulk/conventional mainly involves mostly unpacked cargo such as grains, pumped directly from silos at the ports into the vessels loading bays, or bagged cargo. The Far East lead in exports of bulk/conventional goods. The data is clearly elucidated below;

NB: volume (m³) is not equivalent to weight (ton). 1 ton=2.83m³
<table>
<thead>
<tr>
<th>Region of origin</th>
<th>Volume</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>0.0 m³</td>
<td>0.0 ton</td>
</tr>
<tr>
<td>Far East</td>
<td>874.22 m³</td>
<td>1849.84 ton</td>
</tr>
<tr>
<td>Indian Subcontinent</td>
<td>0.0 m³</td>
<td>0.0 ton</td>
</tr>
<tr>
<td>North America</td>
<td>0.0 m³</td>
<td>0.0 ton</td>
</tr>
<tr>
<td>Africa</td>
<td>0.0 m³</td>
<td>0.0 ton</td>
</tr>
<tr>
<td>Middle East</td>
<td>0.0 m³</td>
<td>0.0 ton</td>
</tr>
<tr>
<td>Russia/Georgia/Ukraine</td>
<td>0.0 m³</td>
<td>0.0 ton</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>874.22 m³</strong></td>
<td><strong>1849.84 ton</strong></td>
</tr>
</tbody>
</table>
9. Evaluation Findings

Core Evaluation Questions
In fulfilling the objects of the evaluation, the following core questions were addressed:

A. RELEVANCE [The degree to which an intervention is related or useful to the needs of stakeholders]

Is the ASHI RELEVANT to the Kenyan Context? Is the design of the ASHI Intervention in sync with Kenya’s national requirements, priorities and needs as desired by stakeholders?

Is the design of the ASHI Intervention in sync with Kenya’s national requirements and priorities relative to reduction in cost of doing business, increased trade facilitation or increased competitiveness of shippers? Is it Relevant to Kenya’s needs?

B. EFFECTIVENESS [The capability of an intervention to produce a desired result]

Is the ASHI EFFECTIVE in Kenya? Is there evidence that implementing the ASHI Intervention produces the results desired by stakeholders?

Is there evidence that implementing the ASHI Intervention produces the results desired by stakeholders?

C. EFFICIENCY: [The ability to do something or produce something without wasting materials, time, or energy]

Is the ASHI EFFICIENT in the Kenyan Context? Can the ASHI Intervention facilitate reduction in cost of doing business, increase trade facilitation or increased competitiveness of shippers cost effectively?

Can the ASHI Intervention facilitate reduction in cost of doing business, increase trade facilitation or increased competitiveness of shippers cost effectively?
D. IMPACT [The ability of an intervention to influence (positive) change]

IS the ASHI potentially IMPACTFUL? Can the ASHI Intervention have a long term positive impact on the high cost of doing business, trade facilitation and competitiveness of shippers?

Can the ASHI Intervention have a positive impact on the high cost of doing business, trade facilitation and competitiveness of shippers?

E. SUSTAINABILITY [The ability to survive in the current socio-economic environment]

IS the ASHI SUSTAINABLE? Can the ASHI Intervention model survive the socio-economic environmental variables in the long term?

Can the ASHI Intervention continue generating benefits through a self-supporting mechanism devoid of external funding or support in the long term?

9.1. EVALUATION OF THE ASHI EFFECTIVENESS

The Effectiveness of the ASHI in the Kenyan context was evaluated by seeking to establish demonstrated capability to:

- INCREASE EFFICIENCY in the Importation Value Chain in Kenya
- REDUCE REVENUE LEAKAGES at the Customs Services Department.
- Enhancing SECURITY COMPLIANCE.
- Provide Requisite TRADE STATISTICS
- REDUCING the COST of Doing Business & Enhancing Competitiveness

The Mombasa Port Community Charter which has widely been used in the Eastern Africa region as a reference document representing the aspirations of stakeholders in the importation value chain in the Northern corridor is anchored upon 4 pillars as follows;
Pillar ONE: Fit for Purpose Logistical and Transport Infrastructure  
Pillar TWO: Operational Efficiency  
Pillar THREE: Synergistic and Collaborative Port Community  
Pillar FOUR: Facilitative Regulation and Oversight Engagement

The feasibility study conducted prior to the trials found the ASHI to be aligned towards achieving pillar 2 of the charter, Operational Efficiency.

This pillar is based on the fact that many inefficiencies are occasioned by lengthy and largely manual processes, an inefficient IT platform and a lethargic work culture. These result in high transaction costs, long lead times and incorrect processing for enterprises, as well as complex regulations, difficulty in monitoring cargo movements and loss of revenue due to official corruption.

It set two Key Result Areas to achieve its objects (KRAs):

- To Actualize paperless trading through the single window
- Reduce cycle-times through speed and a 24/7 work economy system.

It further set the following Key Performance Indicators (KPIs) as a measure of progress towards the set objects:

- At least 70% of all consignments to the Port are Customs-cleared 48 hours before docking of any vessel or earlier upon departure from the relevant load ports.
- Reduce Cargo Dwell Time to 72 Hours
- Increase Vessel Productivity from 20 to 30 moves per hour
- Reduce Ship Waiting Time before Berthing (SWT) to 0.2 Days
- Reduce Vessel Turnaround Time

ASHI Performance Against Effectiveness Expectations

9.1.1. Support of Pre-Clearance of Goods:

The Mombasa Port Community Charter required the Customs Services Department to establish a system of pre-arrival clearance of cargo and dynamic risk management (together sometimes referred to as the ‘green channel’) with the initial objective that at least 70% of all consignments are Customs-cleared 48 hours before docking of
any vessel or earlier upon departure from the relevant load ports, within three months of the date of signing the Charter.

According to UNCTAD cross-border trade transactions the clearance and release of goods at point of entries often create a barrier to trade because of long delays. Modernization of Customs procedures so as to expedite the clearance and the release are therefore an import trade facilitation tool. Advance lodging of information allows for a release with little or no delay upon arrival.

The International Convention on Simplification and Harmonization of customs procedures (the Revised Kyoto Convention or RKC) anticipates expediting customs clearance and release through the electronic lodgment of data. In countries using modern ICT systems, shippers can submit required documents and data to customs ahead of the goods arriving in the country. Customs systems will process the data automatically, including the screening through risk management profiles, and the calculation of duties. In some countries, administrations will also advise traders electronically prior to the arrival of the goods at the point of entry. In case the goods are selected for physical inspection, the importer is advised online, so that the presentation of the goods to be handed over to Customs for inspection can be arranged without delay.

UNCTAD Identified the key benefits of Pre-Clearance as follows:
- Advance electronic processing of information facilitates the use of risk management systems;
- Reduced delays at border crossings/entry points;
- Reduced release time – Fast or immediate release is of paramount importance to traders due to the time saved;
- Saving storage and insurance fees – Such fees will be reduced as a direct consequence of pre-arrival clearance

**FINDING 1 - INFORMATION PROVIDED BY THE ASHI:** The ASHI System provided the following data to be available to customs authorities and other intervening agencies in Kenya.

- Shipper/Forwarder/Consignee and Notify Party details (containing names, addresses and phone numbers)
- Shipment details: shipping line, loading/transshipping/discharging vessel, voyage number, ETS, ETA, ports of loading/transshipment/arrival
- Incoterms, cargo description and corresponding Harmonized System (HS) Code
- Cargo value and country of origin
- Mode of Shipment: FCL, LCL, Roro, Conventional or Bulk
- Cargo details: weight and volume, dangerous goods details kind and number of packages container type/size/numbers, chassis numbers and date of first registration (vehicles)
- Freight rate and additional charges (BAF, CAF, insurance and others)
- Date, place of issuance and number of Bill of Lading
- Copies of following documents for controlling purposes:
  - Commercial invoice
  - Packing list
  - Export customs declaration
  - Bill of Lading
  - Freight invoice

It was further noted that additional documents such as the Certificate of conformity (C.O.C) could also be uploaded if appropriate.

The above information together with the attachments were found to be sufficient to undertake customs clearance in Kenya:

**FINDING 2 - PERIOD WITHIN WHICH INFORMATION IS AVAILABLE TO CSD:** The information outlined in Finding 1 above become available for consumption by Customs Services Department, KENTRADE, KPA and other intervening agencies within 24 hours of the cargo dispatch from the port of origin.

**FINDING 3 - COMPARISON OF ASHI INFORMATION AVAILABILITY TO CSD vs CONVENTIONAL PERIOD OF AVAILABILITY:** In 95% of the shipments covered by the ASHI during the trial period, the ASHI provided sufficient information for customs clearance in advance of the conventional method. In the case study below Preclearance data became available 14 days earlier than the Ships Manifest.

In a case study the following results obtained:

<table>
<thead>
<tr>
<th>Vessel Name:</th>
<th>SAFMARINE NYASSA 1613</th>
</tr>
</thead>
<tbody>
<tr>
<td>Port of Loading:</td>
<td>JEBEL ALI</td>
</tr>
<tr>
<td>Port of Discharge</td>
<td>MOMBASA KE</td>
</tr>
<tr>
<td>Shipped on Board</td>
<td>5TH MAY 2016</td>
</tr>
</tbody>
</table>
FINDING 4 - POSSIBLE DUPLICATION WITH EXISTING INITIATIVES: It was found that the Kenya Revenue Authority (KRA) was currently in the process of implementing a Customs Integrated Management System (CIMS) that had certain common features with the ASHI.

FINDING 5: HARMONIZATION WITH EXISTING CUSTOMS RELATED SYSTEMS: The trials determined that the Customs System in Kenya already had several existing ICT Based systems such as the Kenya National Electronic Single Windows System (KNESWS), SIMBA, KWATOS etc. and that the ASHI would need to be able to integrate and harmonize with these systems rather than seeking to either replace or duplicate.
9.1.2. **CAPACITY TO INCREASE OPERATIONAL EFFICIENCY**

**PROBLEM DESCRIPTION**
The Mombasa Port Community Charter identified efficiency in port operations as a key aspiration of the community as represented in the Logistics Performance Survey Report 2015 illustrated below.

Survey Question : Which factors in your opinion are the greatest contributors to port dwell times?

[Diagram showing factors contributing to port dwell times: Government procedures (31%), Network & ICT problems (25%), Insufficient/ faulty port infrastructures (13%), Multiple agencies (13%), Freight forwarders challenges (6%), Rent seeking (6%), Shipping procedures (6%).

Factors Contributing to Port Dwell Times  
Source: 2015 LPS Survey]
The Logistics Performance Survey Report 2015 further identified improvement in Clearance Processes and procedures as the most desirable improvement as illustrated below:

Survey Question: What measures can you propose to improve cargo dwell time for imports and exports at the airport in your country?

Proposed measures to improve cargo dwell times at airports in East Africa
The following outcomes were seen as indicators of port efficiency:

**LENGTHY CARGO DWELL TIME:** Reduce cargo dwell time to strictly 72 hours within 120 days of signing the Port Community Charter.

**TIME LOST WAITING FOR BERTH - SHIP WAITING TIME (SWT):** Reduce to 0.20 days Ship Waiting Time for containerized ships by 31st December 2014.

**VESSEL TURN AROUND TIME:** A significant reduction in vessel turnaround time based on different vessel times.

**DELAYS AT ONE STOP CENTRE:** A reduction in time spent at the one stop center to a minimum of 24 Hours

**DELAYS AT DOCUMENT PROCESSING CENTRE:** Reduce time spent at Document Processing Centre

**INEFFICIENT YARD & RESOURCE PLANNING:** The ASHI Trial set out to determine whether provision of advance cargo information would potentially provide timely information to Kenya Ports Authority to enable more efficient resource and yard space planning.

Currently the ships manifest which arrives 48 hours prior to arrival of the cargo is the only data that provides sufficient information to determine CFS nomination. This doesn’t always accord sufficient time for resource planning based on human resource, removal gear for dangerous or odd shaped cargo etc.

**FINDING 6: LENGTHY & BUREAUCRATIC CUSTOMS PROCEDURES:** The ASHI demonstrated ability to provide information required for preclearance procedures in many cases, weeks before the registration of the manifest which occurred approximately 48 hours before arrival of the cargo.

This provides an opportunity for customs systems to process the data automatically, including the screening through risk management profiles, and the calculation of duties.

It further provides an opportunity to advise shippers electronically prior to the arrival of the goods at the point of entry. In case the goods are selected for physical inspection, the importer can be advised online, so that the presentation of the goods to be handed over to Customs for inspection can be arranged without delay.

This would significantly reduce delays at the DPC.
**FINDING 7: LENGTHY CARGO DWELL TIME:** Information provided in advance of the arrival of goods by the ASHI will potentially enable cargo clearing authorities to pre-clear goods in advance of their arrival significantly reducing port dwell times.

**FINDING 8: TIME LOST WAITING FOR BERTH - SHIP WAITING TIME (SWT):** The ASHI Demonstrated ability to provide berth planning data in advance of the 14 day list depending on port of origin as per case study below;

<table>
<thead>
<tr>
<th>Vessel Name:</th>
<th>SAFMARINE NYASSA 1613</th>
</tr>
</thead>
<tbody>
<tr>
<td>Port of Loading:</td>
<td>JEBEL ALI</td>
</tr>
<tr>
<td>Port of Discharge</td>
<td>MOMBASA KE</td>
</tr>
<tr>
<td>Date of Availability of Sufficient Data for Resource Planning Available to CSD Via ASHI</td>
<td>5TH MAY 2016</td>
</tr>
<tr>
<td>Date of 14 Day List (Without Sufficient Data)</td>
<td>7TH MAY 2016</td>
</tr>
<tr>
<td>Date of Availability of Sufficient Data for Resource Planning Available to CSD Via Ship Manifest</td>
<td>19TH MAY 2016</td>
</tr>
<tr>
<td>Date of Vessel Arrival</td>
<td>22ND MAY 2016</td>
</tr>
</tbody>
</table>

The above case study demonstrates that more data than is available on the 14 day list is already available via the ASHI 48 hours earlier and would enable the KPA more time for planning thus reducing lost time waiting to Berth.

**FINDING 9: INEFFICIENT YARD & RESOURCE PLANNING:** Currently the ships manifest which arrives 48 hours prior to arrival of the cargo is the only data that provides sufficient information to determine CFS nomination. This doesn’t always accord sufficient time for resource planning based on human resource, removal gear for dangerous or odd shaped cargo etc.

The case study in Finding 6 above demonstrates that the same information that currently only becomes available with the ships manifest on 19th May would have become available on 5th May 2016, 14 days earlier. This would have accorded KPA sufficient time to plan for resources, yard space and fulfilled other internal planning needs.
9.1.3. Reducing the Cost of Doing Business & Enhancing Competitiveness

The East Africa Logistics Performance Survey measures performance using indicators that are aligned to TIME, COST AND COMPLEXITY OF TRADE TRANSACTIONS. These indicators are the ultimate determinants of the cost and ease of doing business and therefore competitiveness of a region.

In the most efficient trade corridors, transport costs make up only 4% of the cost of goods. But constraints at the Port of Mombasa and along the Northern Corridor drive transport costs to an estimated 30% of the cost of goods.

The cost of moving goods across borders has become increasingly important since countries can easily price themselves out of global markets due to the high costs of moving goods.

Considering that the ASHI is a maritime document, the trials sought to determine its ability to reduce TIME, COST and COMPLEXITY within maritime related processes to establish its ability to reduce cost and enhance competitiveness.

The LPI uses the following indicators:

**INDICATORS OF TIME** (Maritime Transport)
- Time taken to import
- Port dwell time
- Ship waiting time
- CFS transfer time
- Time for customs procedure
- Port exit procedures
- Duration of quayside operations

**INDICATORS OF COST** (Maritime Transport)
- Freight costs
- Port and terminal related costs

**INDICATORS OF COMPLEXITY** (Maritime Transport)
- Number of documents required per trade transaction
- Number of signatures per trade transaction
- Number of agencies that have the authority to inspect goods
- Percentage of sea-freight containers that are electronically scanned
- Percentage of sea-freight containers that are physically inspected
- Number of times a consignment is typically inspected

**FINDING 10: INDICATORS OF TIME:** As per findings 1-7 the ASHI has a demonstrable attribution and contribution to reduction in port dwell time, ship waiting time, CFS Transfer time, reduction in time taken to undertake customs procedures.

**FINDING 11: INDICATORS OF COST:** As per findings Number 8 above, the speeding up of processes including port dwell time and enabling preclearance of goods, the logical outcome is a reduction in costs related to demurrage.

9.1.4. **Reduce Revenue Leakages At The Customs Services Department**

The Kenya Revenue Authority (KRA) Customs Service Department (CSD) was established by an Act of Parliament, Chapter 469 of the Laws of Kenya. It became effective on 1st July 1995. The Authority is charged with the responsibility of collecting revenue on behalf of the Government of Kenya.

From inception, the Kenya Revenue Authority in each of its Corporate Plans (Strategic Plans) the first being in 1999-2002 to its fifth corporate plan 2012-2015;

Enhancement of Revenue Collection and Strengthening Enforcement by among other measures, deterring tax abuse and evasion has featured prominently as a Corporate Strategic Goal. This has been in an effort to stem evasion of Import Duty among other taxes and reduce general noncompliance. Some of the initiatives that KRA has implemented in an effort to minimize Revenue Leakages include but are not limited to;

- Valuation database
- X-ray cargo canner
- Implementation of the Electronic Cargo Tracking System

The ASHI Feasibility study found that there are numerous opportunities for delays, loss of revenue, corruption and fraud presented by the current operating procedures at the Kenya Revenue Authority Customs Services Department. These opportunities potentially result in loss of revenue resulting from:

- Undervaluation of imported goods
– Loss Through Collusion
– False Declaration
– Misdeclaration
– Smuggling
– Dumping

**FINDING 12: UNDERVALUATION, MISDECLARATION & SMUGGLING:** The ASHI is populated with the value and description of goods at the port of origin by the exporter and the values are subsequently validated through valuation and other authentication databases. Original commercial invoices are also scanned and attached by the exporter / seller showing the actual values at source.

The ASHI is also linked to the customs system of the country of origin for electronic authentication.

The ASHI was therefore found to have the capability of reducing opportunities for the importer to manipulate or alter the figures, description of goods or to present lower values or fabricated invoices.

**FINDING 13: COLLUSION WITH LOCAL CUSTOMS OFFICIALS:** Finding 10 above is anchored upon the premise that official values and original documentation related to imported cargoes is made available electronically to CSD.

This eliminates opportunities for collusion between the importer and customs official to offer any lower values, change HS Codes or provide false documentation

**FINDING 14: ENHANCING SECURITY COMPLIANCE.** Findings 1-11, have demonstrated the ability of the ASHI to expose cargo to enhanced scrutiny, verification and authentication. It further provides sufficient lead times prior to arrival of goods with security agencies accorded an opportunity to undertake due diligence, investigations and verifications that assist in security profiling.

**FINDING 15: PROVIDING REQUISITE TRADE STATISTICS:** The ASHI has the capability to provide year to date, month to date, week to date data and projections on all data related to imports, exports, levies, destinations and source countries, including revenue projections.

The test determined that such data would be beneficial to the economy for planning purposes and in fulfilling the mandate of KRA and KENTRADE.
9.2. Evaluation of the ASHI Efficiency:

IS the ASHI EFFICIENT in the Kenyan Context? Can the ASHI Intervention facilitate reduction in cost of doing business, increase trade facilitation or increased competitiveness of shippers cost effectively?

Can the ASHI Intervention facilitate reduction in cost of doing business, increase trade facilitation or increased competitiveness of shippers cost effectively?

The cost effectiveness of the ASHI was evaluated from 3 perspectives:
- Cost of Deployment
- Cost to the Shipper
- Cost to Customs and other Interveners

9.2.1. COST TO THE SHIPPER
The ASHI registration is undertaken by the exporter to Kenya and is responsible for payment of user fees. The importer in Kenya is not therefore directly responsible for payment of any service fees. The ASHI Feasibility study determined that whereas there has been no indication of the cost in Kenya, the average cost in other African countries is on average USD 20 per ASHI.

9.2.2. COST TO THE CSD OR OTHER INTERVENERS
The ASHI is offered at no cost to the CSD or other interveners. In the event that integration of the ASHI System with SIMBA or the Single Window System then integration costs may apply.

9.2.3. COST OF DEPLOYMENT
The application is entirely web based so there is no need to deploy any new software at all. The users of the system only need access to the internet and modern web browser:
- Mozilla Firefox 18 or newer versions
- Google Chrome 24 and up
- Safari 7 or newer
- Internet Explorer 8 or newer
The browser connects to the ASHI system in a secure connection.

![Diagram of ASHI system connection]

No new equipment needs to be deployed. The users only need an Internet connection and a computer with an operating system that can run any of the browser mentioned above, usually Windows XP/Vista/7/8, Mac OS X or Linux.

**TELECOMMUNICATIONS SYSTEM TO USE**

An Internet connection is needed to work with the ASHI system. Slower connections can be used but for an efficient and comfortable way of working a download speed of 3 Mbps or better and an upload speed of 1 Mbps or better is recommended.

**FINDING 16: EFFICIENCY OF THE ASHI:** The trials determined that the ASHI did not have any direct costs to either the Shipper, CSD or Interveners. In the event that integration with the KNESWS or the Customs SIMBA system then integration costs may apply.

Considering the Time and cost savings that the ASHI would accrue to shippers and the economy at large, the trials determined that the ASHI was efficient and its deployment did not warrant heavy capital outlays or costs.

**9.3. EVALUATION OF THE POTENTIAL IMPACT OF THE ASHI INTERVENTION**

**IS THE ASHI POTENTIALLY IMPACTFUL?** Can the ASHI Intervention have a long term positive impact on the high cost of doing business, trade facilitation and competitiveness of shippers?

Can the ASHI Intervention have a positive impact on the high cost of doing business, trade facilitation and competitiveness of shippers?
**FINDING 17 - IMPACT:** Findings 1-16 have demonstrated that if effected the ASHI would potentially confer the following benefits:
- Support implementation of pre-clearance of goods in Kenya.
- Improve Vessel turnaround time
- Reduce Lengthy & bureaucratic customs procedures
- Reduce cargo dwell time
- Reduce Time lost waiting for berth
- Improve yard & resource planning at KPA
- Reduce revenue leakages at the customs services department by reducing incidences of undervaluation, mis-declaration, smuggling and collusion between importers and local customs officials
- Enhancing security compliance

Achieving the above objectives either wholly or partially would reduce the cost of doing business & enhance competitiveness of shippers

**9.4. EVALUATION OF THE SUSTAINABILITY OF THE ASHI INTERVENTION:**

**IS the ASHI SUSTAINABLE?** Can the ASHI Intervention model survive the socio-economic environmental variables in the long term?

Can the ASHI Intervention continue generating benefits through a self-supporting mechanism devoid of external funding or support in the long term?

The ability of an intervention to be sustainable is often dependent upon the following:

- Demonstrable Responsiveness to Stakeholder Needs
- Securing Stakeholder Support
- Affordability
- State or Self Legislation
- Monitoring & Evaluation to Enable Adaptability
FINDING 18 - SUSTAINABILITY: The ASHI Intervention would require stakeholder support, a mechanism that compels users to uptake the services and continued demonstration of value for it to continue being sustainable.

9.5. EVALUATION OF THE RELEVANCE OF THE ASHI INTERVENTION:

IS the ASHI RELEVANT to the Kenyan Context? Is the design of the ASHI Intervention in sync with Kenya’s national requirements, priorities and needs as desired by stakeholders?

Is the design of the ASHI Intervention in sync with Kenya’s national requirements and priorities relative to reduction in cost of doing business, increased trade facilitation or increased competitiveness of shippers? Is it Relevant to Kenya’s needs?

Relevance: The relevance of the ASHI in the Kenyan context was evaluated by seeking to establish its alignment or relevance to Kenya Vision 2030 and the Mombasa Port Community Charter aspirations on the following fronts:

- Reduction in the cost of doing business
- Reduction in opportunities for corruption
- Increased competitiveness for Shippers and the country

VISION 2030
Under the Economic Pillar of Kenya Vision 2030, inefficient flows of goods and services, Inefficiency in the local transport and logistics sector (e.g. port, rail and road transport services), is been singled out to greatly hamper the ability of local manufacturers to access and be competitive in regional and global markets. It also identified corruption and non-tariff barriers as an obstacle to trade and growth of the manufacturing sector.

MOMBASA PORT COMMUNITY CHARTER
The Mombasa Port Community Charter identified constraints at the Port of Mombasa and along the Northern Corridor as having driven transport costs to an estimated 30% of the cost of goods compared to an international benchmark of 4%. These constraints include:

- Ineffective operational models at both the Port terminal
- Poor Ship to Shore Interface, Low yard productivity and limitations in Cargo Off take capacity;
− Time-consuming Customs Service Department clearance procedures and interventions by other statutory bodies;
− Corruption and unethical practices by different parties in the logistics supply chain. This is evidenced by deliberate obstruction of free trade and profiteering by a number of the players, both public and private;

In its recommendations the charter noted, (Pillar TWO: Operational Efficiency) that many inefficiencies are occasioned by lengthy and largely manual processes, an inefficient IT platform and a lethargic work culture. These result in high transaction costs, long lead times and incorrect processing for enterprises, as well as complex regulations, difficulty in monitoring cargo movements and loss of revenue due to official corruption.

The charter required all Port Community members to institute measures to facilitate faster, more profitable growth by taking the necessary steps to shorten lead-times and ensure quick turnaround of assets. (K.R.A 4: Reduce Cycle-Times through Speed and A 24/7 Work Economy)

**FINDING 19 – RELEVANCE:** The ASHI Intervention was found to be relevant to the aspirations of Stakeholders and Kenya’s national development goals.
10. **Recommendations**

Based on the findings enumerated above, the report makes the following recommendations:

10.1. **Based on Findings 16-19**, The ASHI trials determined that the system was potentially effective and impactful based on the determined needs and expectations of stakeholders and was capable of fulfilling the core objectives as follows:

- Enhancing efficiency in customs and port procedures
- Reducing the cost of doing business thereby making shippers and the country more competitive
- Significantly Eliminating fraud and corruption thereby increasing revenue collection
- Increasing Security Compliance
- Providing requisite trade statistics

The ASHI was also found to be efficient on the premise that it can be deployed without any direct cost to shippers, government or other regulatory authorities in Kenya and is web based, requires minimum bandwidth and a standard computer without any bespoke software to operate.

Based on the accruing benefits in 10.1 above and the relatively low deployment and operation costs it was also found to be cost effective.

This report therefore recommends that the ASHI is RELEVANT to Kenya’s development aspirations in general and beneficial to Shippers and should be operationalized in Kenya initially and subsequently in the Eastern Africa region.

10.2. **Based on Findings 1-3**, information provided by the ASHI together with the attachments were found to be sufficient to undertake customs clearance in Kenya. It was established by the trials that this information was available well in advance of the ships manifest (up to 2 weeks earlier in some cases).

It was however also established that the ASHI does not currently provide the C.O.C. attachment that has become mandatory for Kenyan imports.

The report recommends that the ASHI be used to support the implementation of the Pre-Clearance System in Kenya together with a dynamic risk management system.
It further recommends that consideration should be made to negotiate uploading of additional documents such as the Certificate of conformity (C.O.C) and other documents required by intervening agencies in Kenya to be provide all necessary documents to facilitate making a release decision.

It is estimated that this would reduce customs and bureaucratic delays, enable dynamic risk management and increase efficiency thereby reducing demurrage and other related costs.

10.3. Based on Finding 4-8 – The trials determined that the ASHI by design was adaptable to country specific requirements from an operational, functional and technical perspective.

It was also determined that the Kenyan customs environment had existing ICT based systems such as the SIMBA, KWATOS etc. and these systems were integrated with the KNESWS.

This report recommends that the ASHI should integrate with the existing systems through the KNESWS which would receive the advance preclearance data and disseminate to the various agencies as it was already integrated to the various customs and intervening agencies systems.

It is also recommended that the ASHI be harmonized with the ICMS to avoid duplication and conflict.

10.4. Based on Finding 9-10, the report determined that currently the ships manifest which arrives 48 hours prior to arrival of the cargo is the only data that provides sufficient information to determine CFS nomination. This doesn’t always accord sufficient time for resource planning based on human resource, removal gear for dangerous or odd shaped cargo etc.

The trials determined that the same information that currently only becomes available with the ships manifest is made available up to 14 days earlier. This potentially accords KPA sufficient time to plan for resources, yard space and to fulfil other internal planning needs.

The report thus recommends that the ASHI data be provided to KPA via KNESWS to enable more efficient berthing plans and resource and yard space planning with the expectation that this would ease congestion, reduce turnaround times and make the port more efficient.
10.5. **Based on Finding 12-13,** it was determined that undervaluation, mis-declaration, false declaration, smuggling and counterfeiting and collusion were still prevalent at the CSD.

Considering that the ASHI is populated with the value and description of goods at the port of origin by the exporter and the values are subsequently validated through valuation and other authentication databases and original commercial invoices are also scanned and attached by the exporter / seller showing the actual values at source. The ASHI is also linked to the customs system of the country of origin for electronic authentication.

The ASHI was found to have the capability of reducing opportunities for the importer to singly or in collusion with customs officers to manipulate or alter the figures, description of goods or to present lower values or fabricated invoices.

The report recommends that CSD adapts the ASHI System to enhance revenue collection, eliminate fraud and reduce opportunities for corruption.

10.6. **Based on Finding 14,** the ASHI was found to expose cargo to enhanced scrutiny, verification and authentication. It further provides sufficient lead times prior to arrival of goods with security agencies accorded an opportunity to undertake due diligence, investigations and verifications that assist in security profiling.

The report therefore recommends that the ASHI be linked to the National Security System to develop an early warning mechanism and provide data to enhance security.

10.7. **Based on Finding 15,** the ASHI has the capability to provide year to date, month to date, week to date data and projections on all data related to imports, exports, levies, destinations and source countries, including revenue projections.

The report recommends that this invaluable data be utilized for national planning, revenue projections, strategic decision making and to compare actuals versus revenue generated as a control measure.
Based on Finding 18, the report concluded that for the ASHI project to be sustainable by continuing to generate benefits through a self-supporting mechanism devoid of external funding or support and survive the socio-economic environmental variables in the long term it would require to meet the following conditions:

- Meet stakeholder needs and generate long term benefits
- Get significant stakeholder support
  Develop a compelling value proposition that compels users to uptake the services
- Be seen to be affordable and represent value for money.

**Stakeholder Support:** The report identified the following critical stakeholders that must support the ASHI for it to be successfully implemented and remain sustainable;

- Kenya Revenue Authority
- KENTRADE
- Shippers Council of Eastern Africa (SCEA)
- Kenya Ports Authority (KPA)
- Exporters
- ASHI Service Provider

The report recommends that the project sponsor undertakes a lobbying and advocacy campaign to sensitize key stakeholders on the benefits of the ASHI and the outcome of the trials to get their full support, buy in and participation.

Subsequent to getting key stakeholder support the project sponsor should seek to establish a steering committee comprising representatives of the key stakeholder groups to draw up an implementation plan and get stakeholder ownership.

Shippers are the most critical stakeholder in the ASHI value chain considering that they may have to absorb the cost of the ASHI indirectly depending on the terms of trade with the exporter. A self-regulatory model would be the most workable approach whereby the Shippers Council (representing Shippers) administers the ASHI along the lines of the self-regulatory charter on vehicle load control whereby shippers commit to eliminate corruption in customs processes and work together with authorities to eliminate inefficiencies and delays.

The report further recommends that stakeholder buy in must also be achieved by highlighting clear benefits for each stakeholder segment.
**Compelling Value Proposition**
A compelling value proposition in a free market is determined by offering benefits that solve customer’s problems. A compelling value proposition can also be developed if the alternative to not up taking services generates negative consequences. This can normally be achieved through loss or legislation.

The project sponsors will need to highlight the benefits of the ASHI and have a Monitoring and Evaluation mechanism to monitor the operating environment, document progress and advise on necessary adjustments.

**Affordability**
The project sponsors must portray value for money and not be seen as increasing the cost of doing business. A pricing mechanism must therefore involve a value for money analysis.