

Kenya Investment Climate Program-II Trade Logistics

Impact Evaluation of the Kenya National
Electronic Single Window

Acknowledgments

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Abstract

Kenya is placed in a key strategic position in East and Central Africa. It is the gateway to the Great Lakes countries and hosts a big part of the Northern Corridor that commences in Mombasa and ends in the Democratic Republic of Congo. International trade or movement of goods in this region will make much business sense if the trade logistics activities in Kenya are efficient. Imported goods are as expensive as the inefficiencies in the system, while the goods from the region are as expensive and uncompetitive as the inefficiencies in the system. These inefficiencies increase the final price of goods sold from the region making it very difficult for the local producers to compete in the international market.

The World Bank Doing Business data shows that 40 – 60 percent of the time required to export or import goods in Kenya is taken up by regulatory compliance, administrative clearance, and documentation procedures. Improving Kenya's trade logistics would significantly increase the competitiveness of its exports and can potentially support increased private sector investment in sectors such as agriculture and manufacturing. Towards achieving this, the World Bank Group/International Finance Corporation (IFC) offered technical assistance to the Government of Kenya in support of its effort to meet their obligation towards providing an improved enabling environment for cross border trade.

The Kenya Investment Climate program's main objective was to facilitate reforms that will create more efficient trade logistics systems and services. This was to be achieved by: Reducing the number of days it takes to comply with business regulations for export from 26 to 19 days, Reducing the number of days it takes to comply with business regulations for import from 24 to 18 days; Reducing the number of documents needed to export from 8 to 7; Reducing the number of documents needed to import from 7 to 6; and securing private-sector trade logistics savings of US\$22 million within one year of program completion.

IFC offered KenTrade technical support towards the implementation of the Kenya TradeNet System and further provided funding for general operations. One year after program closure, and from this exercise, trade logistics reforms have achieved the following, number of days it takes to import has reduced from 24 to 15 days (6 days reduction attributed to KICP trade logistics project component), number of days to export has reduced from 26 to 13 (5 days reduction attributed to KICP trade logistics project component), estimated Private Sector Savings of US\$ 25.36 million one year post-closure, brought 30 PGA's to the electronic single window that directly supports over 80,000 beneficiaries with over 9,000 registered users who included; clearing agents, government agencies, insurance companies and banks. There were no changes to the number of documents required to import or export.

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Abbreviations and Acronyms

ACD	AFA Coffee Directorate
AFA	Agriculture and Food Authority
DB	Doing Business
DVS	Directorate of Veterinary Services
EAC	East African Community
EDI	Electronic Data Interchange
ERC	Energy Regulatory Commission
eSW	Electronic Single Window
G2B	Government to Business
GoK	Government of Kenya
ICMS	Integrated Customs Management System
IDF	Import Declaration Form
JKIA	Jomo Kenyatta International Airport
KAM	Kenya Association of Manufacturers
KEBS	Kenya Bureau of Standards
KenTrade	Kenya Trade Network Agency
KEPHIS	Kenya Plant Health Inspectorate Services
KEPSA	Kenya Private Sector Alliance
KIFWA	Kenya International Freight and Warehousing Association
KMA	Kenya Maritime Authority
KNESWS	Kenya National Electronic Single Window System
KPA	Kenya Ports Authority
KRA	Kenya Revenue Authority
KWATOS	Kilindini Waterfront Automated Terminal Operations System
MMS	Manifest Management System
PGA	Partner Government Agency
PS	Principal Secretary
TFA	Trade Facilitation Agreement
WTO	World Trade Organization

List of Government Agencies

1. AFA Coffee Directorate (ACD)
2. AFA Fibre Crops Directorate (FCD)
3. AFA Food Crops Directorate (FCrD)
4. AFA Horticulture Crops Directorate (HCD)
5. AFA Nuts and Oil Crops Directorate (NOCD)
6. AFA Pyrethrum & Other Industrial Crops Directorate (POICD)
7. AFA Sugar Directorate (ASD)
8. AFA Tea Directorate (ATD)
9. Anti-Counterfeit Agency (ACA)
10. Central Firearms Bureau (CFB)
11. Directorate of Veterinary Services (DVS)
12. Energy Regulatory Commission (ERC)
13. Ethics and Anti-Corruption Commission (EACC)
14. Kenya Bureau of Standards (KEBS)
15. Kenya Dairy Board (KDB)
16. Kenya Forest Service (KFS)
17. Kenya Maritime Authority (KMA)
18. Kenya Medical Laboratory Technicians and Technologist Board (KMLTTB)
19. Kenya National Chamber of Commerce & Industry (KNCCI)
20. Kenya Plant Health Inspection Services (KEPHIS)
21. Kenya Police Service (KPS)
22. Kenya Ports Authority (KPA)
23. Kenya Revenue Authority (KRA)
24. Kenya Wildlife Service (KWS)
25. Mines Geological Department (MGD)
26. National Biosafety Authority (NBA)
27. National Environment Management Authority (NEMA)
28. Nursing Council of Kenya (NCK)
29. Office De Gestion Du Fret Maritime (OGEFREM)¹
30. Pest Control Products Board (PCPB)
31. Pharmacy and Poisons Board (PPB)
32. Port Health Services (PHS)
33. Radiation Protection Board (KRPB)
34. State Department of Fisheries (SDF)
35. Veterinary Medicines Department (VMD)

¹ Office De Gestion Du Fret Maritime (OGEFREM) of The Democratic Republic of Congo – Embassy issues certificate of destination for all cargo destined to DRC.

IFC Support

Kenya is an important regional gateway to the landlocked East Africa and wider Great Lake countries. The northern transport corridor links Kenya's maritime port of Mombasa to Burundi, Democratic Republic of Congo, Rwanda, South Sudan and Uganda. This corridor mainly facilitates intra-regional trade and regional integration by ensuring the smooth movement of goods and persons across member states. During 2017, Mombasa port handled a total of 30,345,000 tons of cargo (52% increase compared to 2011) of which 25,604,000 tons was import, 3,794,000 tons export and 874,000 transshipment cargos. 69.8% of the import traffic was destined to Kenya (a 44% increase compared to 2011) and 30.2% on transit to Northern Corridor member states² (a 119% increase compared to 2011). Kenya's trade with the region and the world continues to grow (Appendix X). As such improvements in the Kenyan clearing cargo time and transport renders a considerable positive impact on regional trade and integration.

The Northern corridor transport and the port of Mombasa in particular often suffered from congestion, lack of infrastructure and non-tariff barriers. Cargo clearance procedures in Kenya were inefficient, lengthy and slow resulting in high cost of trade transactions/doing business. This resulted in delays in cargo clearance, perennial congestion at the port, long truck queues at the border posts, corruption, underutilization of port facilities, and ultimately, loss of competitiveness for the country and the region. Paper based documentation requiring human intervention caused delays resulting in high transaction costs for the private sector, long lead times and incorrect processing of documentation. To the government, some of the disadvantages were complex and duplicated regulations, lack of transparency, difficulty in monitoring trade facilitation processes, absence of records and loss of revenue through corruption.

To improve competitiveness and efficiency of the corridor various initiatives have been implemented including upgrading and expansion of road, rail and port infrastructure to support trade along the routes and elimination of non-tariff barriers. In addition, the Mombasa Port Community Charter³ programs designed to improve the competitiveness of the Corridor envisaged having paperless cargo clearance by integrating port community systems into the Kenya National Single Window System by December 2014. This meant that efficiencies achieved through the Single Window system translated to efficiencies in cargo throughput to the neighboring countries – leading to improved cargo transit.

² Northern Corridor Observatory Bi-Annual Report ISSUE12, May 2018

³ The Mombasa Port Community Charter was signed in June 2013 by both Public and Private Sector Institutions who committed towards measures aimed at improving efficiency at the Port and the Corridor. The Charter provides the framework to enhance an efficient, effective, competitive port and supply chain system that would drive the regional economies towards becoming an attractive investment destination.

As part of the project's technical assistance, IFC provided support towards setting up an eSW through the Kenya Trade Network Agency in its efforts to introduce the Kenyan Electronic Single Window, enhanced empowerment to the Kenya Maritime Authority and appreciation of the risk management approach to the Kenya Bureau of Standards. Looking at the environment and the varying mandates/legacy issues between/within government agencies, the best way to deal with the entire supply chain was to work with an agency that was neutral and cut across the board, with the required clout and powers to influence change in the business process of the participating agencies. KenTrade was this agency. KMA was the next agency because they are the agency that independently monitors activities at the Kenyan sea ports. The Kenya Bureau of Standards was selected because they have a tendency of inspecting nearly all containers landing for consumption in Kenya. This selection is a movement away from the traditional selection of Customs Authorities. Working with the eSW made it possible for the program to influence the entire clearance business processes.

This support included work on documenting and optimizing the permit issuance processes of government agencies and standard operating procedures, undertaking capacity building initiatives by providing overseas visits where the agency officials were exposed to the eSW, its functions, operations, relationship with other government agencies and also the benefit to a nation. The assistance also included lobbying for support of the project through various relevant private sector and government agencies e.g. Kenya Revenue Authority (KRA), Kenya Association of Manufacturers (KAM), Kenya Private Sector Alliance (KEPSA), KIFWA and developing a communication and business strategy amongst other activities. IFC was instrumental in the removal of pre-import IDF fees (in 2016) by continuously highlighting to the relevant authorities the need to review the application of an IDF and the removal of the IDF fees (advance payment) and have them collected with the other duty payments during the cargo clearance process.

In summary IFC's support entailed:

- i) Provision of technical support and dissemination of global best practices to trade facilitation agencies;
- ii) Enhancement of business processes
- iii) Supported KenTrade towards the implementation of the KNESWS
- iv) Technical assistance to KenTrade for support across over 30 agencies; and
- v) When required, the project also made investments in IT & Wi-Fi equipment and connectivity to bridge the gaps for PGAs and border posts with high volume of transactions.

Program Implementation

This was a unique project that the team was able to turn around despite the complex environment in Kenya. In the beginning, the project was driven by a team from the headquarters in DC, with no resident team or participation. This appears to have been

the first challenge the project had. The model was such that as soon as the DC team left Kenya, the activities stopped until the next visit. This was realized and a national office set up to drive the program agenda. In 2012, clients were identified and memorandums of understanding on engagements signed up. The clients identified were; Kenya Trade Network Agency, Kenya Bureau of Standards (KEBS) and the Kenya Maritime Authority (KMA). The three agencies were selected after careful consideration. In Kenya, the idea of setting up an eSW had been on the table since the year 2003. At that time the idea was to have a community based system hosted by both the Kenya Ports Authority (KPA) and the KRA Customs administration. This did not actualize due to legacy and territorial/mandate issues. Both agencies had clout and strong ministers and ministries behind them, the Ministry of Transport and the Ministry of Finance respectively.

On 14th January 2011 through an executive order gazetted as Legal Notice No 6 of 2011 on 28th January 2011 (The Kenya Trade Network Agency Order, 2010), the Government established Kenya Trade Network Agency (KenTrade) as a State Corporation under the National Treasury with an objective to establish, implement and manage the National Electronic Single Window System (Kenya TradeNet System) and to facilitate trade; one that would be independent of any trade logistics participating agency. This model of the single window is ideal as all involved agencies are wholly participating on a level playing field without pressure as KenTrade is an independent gateway and service provider for all the PGAs.

The project appears to have taken six years, but in actual fact, it ran from 2012 after clients were identified and MOUs signed between the clients and IFC. The program started in May, 2011 and was originally scheduled to end in June 2013, however; in cognizance of the project delays, the program was extended through to June, 2017.

The project offered targeted technical assistance to KenTrade to strengthen agencies' IT capacities and therefore, enhance participation in the eSW platform. Given low technical and coordination capacity in trade agencies, the project focused on building and enhancing capacity, trust and collaboration between the agencies and focusing on delivering high quality training and workshops for relevant agencies charged with cargo or cross border clearance. The workshops held were where all the agencies would sit together and walk through and analyze the different processes. IFC moderated most of the sessions and was able to introduce best practice and broker stalemates by the agencies using their technical knowledge and experience. IFC brought in peers from other countries to help the government agency participants understand the effectiveness of the eSW, the fact that there were no powers to be lost by any of the agencies and how to overcome perceived challenges.

IFC Team contributed to two draft laws (National Electronic Single Window System Bill, 2016 and Kenya Maritime Act) to enable eSW and provided a best practice legal

Figure 1: KNESWS and KICP implementation schedule

Status of implementation

The process of implementing the Kenya National Electronic Single Window System (Kenya TradeNet System/KNESWS) was complex. It involved the implementation of 24 modules, streamlining and automation of approximately 84 processes and procedures, and establishing connectivity with 30 government agencies - with and without ICT systems. During the implementation period, new government agencies were identified and on boarded while some earlier identified were removed from the scope due to changes in their mandates and/or their role in trade facilitation.

An independent assessment of KNESWS conducted during the period (November 2016) concluded that the system was successfully implemented in line with recommendations from the United Nations Centre for Trade Facilitation and Electronic Business (UN/CEFACT) Recommendation No. 33 and 35 for a single window, and with a satisfied client base.

35 laptops were procured for border agencies and delivered to KenTrade to facilitate access to, and utilization of the KNESWS. By December, 2017 Wi-Fi connectivity at 7 key border points (Kenya Ports Authority, Taita Taveta, Busia, Malaba, JKIA, Namanga, and Isebania) were procured and implemented enabling government agencies to use the laptops to clear cargo online at border posts and at the port. A high level of utilization is reported at most of the border posts.

As at 30th June, 2018 (1 year post implementation), 30 agencies had been connected to the system and 5 agencies with 11 processes were under development and/or pending implementation (Appendix III). 21 modules (services) have been implemented in the Kenya TradeNet System, 1 under development and 2 were planned for full implementation by the end of 2018 (Appendix II). Over 1,297,000 permit issuing related trade facilitation transactions have been completed through the KNESWS (Figure 2).

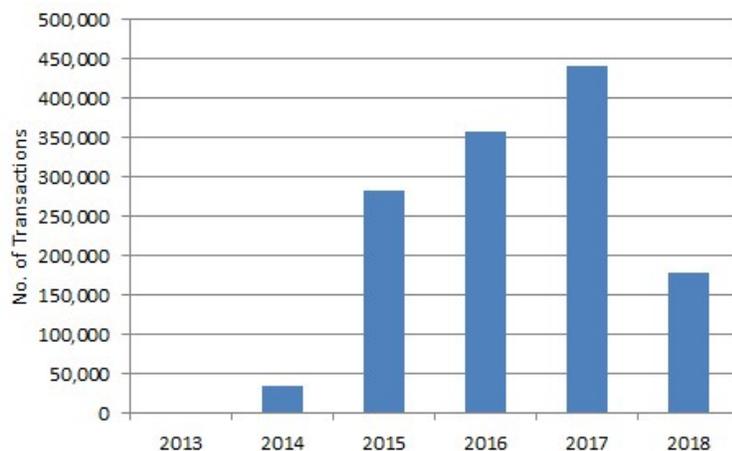


Figure 2: Number of permit related transactions completed through KNESWS

Source: KNESWS

During the period January 2017 to June 2018, 13,626 security bonds with premiums worth US\$ 2.96 Million and a sum insured value of over US\$ 1.46 Billion were facilitated through the KNESWS by 31 of the 39 insurance companies connected to KNESWS). Trade valued at US\$ 8.9 Billion was transacted through the KNESWS since its implementation in 2013 (Export US\$ 1.72 Billion, Import US\$. 7.18 Billion) – (Figure 3).

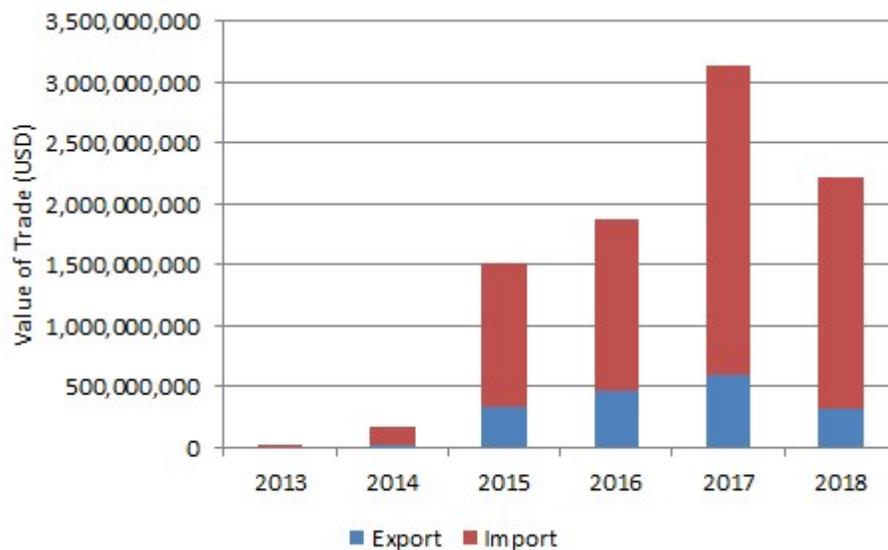


Figure 3: Value of trade transacted through KNESWS

Source: KNESWS

Implementation of a new customs management system by KRA (migration from SIMBA to the Integrated Customs Management System (ICMS)) has delayed the implementation of the KNESWS declaration and cargo release modules by over 1 year (it was expected that the two modules would go-live on 30th June, 2017 subject to ICMS roll out completion by KRA). The KenTrade project implementation team supported by IFC Consultants undertook a Business Process Re-engineering (BPR) exercise to review the current manual process and evaluate how the proposed electronic clearance functionality would be adopted by all stakeholders. Due to the criticality of cargo clearance at the Port of Mombasa, sensitizations and pilot preparations have already commenced at the Port and are to be rolled out to other border stations.

The full implementation of the cargo release module (currently under pilot) is the final piece to the full implementation of the eSW as was set out at commencement of the project. The full implementation will result in immense benefits such as time, reduced cost of clearance to the trade community through efficient processes and minimal human intervention/interaction. It will also enable PGAs to identify cargo being

imported or exported and ensure that it meets regulatory requirements in a more convenient and intelligent manner. In the year of implementation, the roll-out of the cargo release module will be claimed as a reform for Kenya in the World Bank Ease of Doing Business, trading across borders component.

Beneficiaries of the eSW

There are over 9,000 registered users of the system involved in cross-border trade and over 80,000 direct beneficiaries who include Banks, Customs Agents, CFS Operators, Couriers, Traders (Exporters and Importers), Freight Forwarders, Cargo Handling Agents, Insurance Companies, Partner Government Agencies, Port Authority, Shipping Agent and Slot Charters, Marine Surveyors, other regulatory authorities (e.g. Insurance Regulatory Authority, the Kenya Police Service) and government ministries (Appendix I).

Key Achievements and Benefits

Implementation of the KNESWS has resulted in streamlined import and export processes and procedures (including payment of fees), transparency in the processes and effective information sharing. The system has facilitated a reliable and dependable platform on which stakeholders involved in international trade collaborate. The KNESWS is no doubt a revolutionary trade facilitating tool for both the traders and regulators. The initiative enables importers and exporters to conveniently submit documents from the comfort of their offices or homes.

“... it has helped a lot, today we receive documents from the ship owner and lodge them through the Single Window and the same are made available to relevant stakeholders immediately on approval – always very fast” Silvester Kututa MD, Express Shipping and Logistics (EA) Limited (19th June, 2018)

“It is perfect in terms of movement and processing of documents” Humphrey Ashumbwe, Head of Operations, Urgent Cargo (18th June, 2018)

“The system has greatly improved over time, it has made our work easier and is really appreciated” Racheal Njuguna, Spedag Interfreight (19th June, 2018)

“The system has eradicated the time and travel expenses to various regulatory bodies while applying for the permits which is a good plus for everyone involved” Goeffrey Mbai, Conventional Cargo Conveyors Limited (25th June, 2018)

“General ease of business process for our clients since the submitted data is used by all relevant agencies like KRA, HCD and KEBS” James Aboge, KEPHIS (2nd July, 2018)

“The directorate has registered and licensed increased number of importers and exporters, enhanced customer satisfaction and less complaints...” Vincent Chirchir, AFA Nuts and Oil Products Directorate (3rd July, 2018)

“The system has brought about transparency and streamlined controls” Alex Mungai, AFA Fibre Crops Directorate (7th July, 2018)

“We have cost saved in terms of time taken & costs involved to acquire the permit; no other costs involved apart from the official online charges” Jane Thiong’o, Del Monte Kenya Limited (2nd July, 2018)

Below are some of the key benefits and achievements to the government and agencies, traders and other stakeholders (informed and collaborated by the traders, government agencies and other stakeholders).

1. Cost Reduction

The automation of processes and procedures has resulted in reduction of delays, improved convenience and substantial cost savings⁴ estimated at US\$ 25.36 million (Appendix X) as traders’ compliance costs associated with transportation/travel, time, administration (e.g. document preparation, photocopying) and telecommunication have been reduced or eliminated (Figure 4). The compliance processes are more predictable and transparent. For instance, the number of trips (physical movement) between agencies by traders was eliminated and those between banks have reduced significantly. In addition, the reform removing the need to make payment for pre-import IDF fees in 2016 has seen a reduction of cost to traders for travel, time and administrative cost estimated at US\$9.14 million between 2017 and 30th June 2018. Most traders and clearing agents have reported a reduction of over 50% in the cost to import (estimated at a total US\$ 25.36 million).

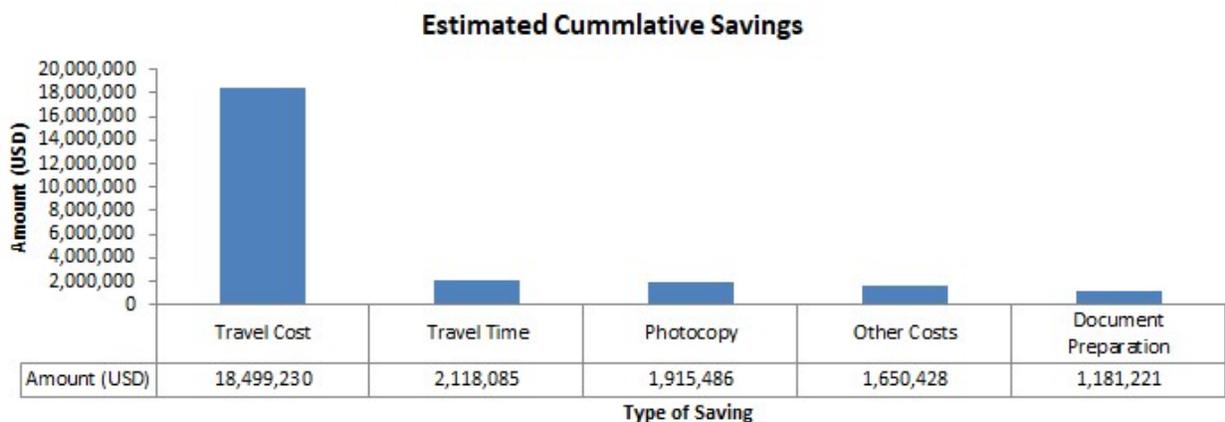


Figure 4: Preliminary estimated cumulative annual savings (2013 – June 2018)

Source: KNESWS

⁴ These cost savings were calculated based on the reduction in number of trips and documents, and related cost savings (e.g. in photocopying, printing, personnel travel time, document preparation time) required to process permits at the PGAs whose processes were automated in KNESWS

There is also a marked reduction/elimination of administrative costs related to storage and retrieval of physical documents at the PGAs.

2. Improved Connectivity, Security, Processes and Procedures

25 government agencies that issue various permits and 5 that have mandate to view the permits have been connected to the KNESWS and 83 processes/procedures are fully automated. Business process review undertaken during the implementation offered process simplification, streamlining and harmonization, documents simplification and alignment. There was a reduction in the average number of process steps involved in processing clients' applications by almost 50%; from 1,332 to 684 (for PGAs covered under the BPR exercise). For example, SDF has seen the reduction of process steps from 72 to 53 (26%), NBA from 116 to 57 (51%) and Department of Veterinary Services (DVS) from 30 to 28 (6.7%). Some procedures have seen a system to system integration between the agencies and the KNESWS offering efficiency and improved document/data security and integrity through single electronic lodging, seamless data interchange between the organizations. For example; a sea manifest submitted through the KNESWS is simultaneously and automatically made available in the KPA and KRA systems for approval; and a KEPHIS export phytosanitary certificate issued in their Export Certification System (ECS) is automatically transferred and made available in the KNESWS for use by all relevant agencies.

Compared to the manual process, KNESWS is more secure and can only be accessed by authorized staff. Trade facilitation processes in all PGAs can now be completed securely from everywhere as opposed to selected locations where PGAs had offices. For example, IDF's can be lodged from anywhere and at any time; previously, IDF could only be lodged during working hours in locations where KRA had customs offices.

An e-payment system has streamlined payment arrangements for permits through electronic processing, confirmation of payments and provision of multiple payments channels such as mobile money, online bank transfer, cash at the bank or account transfer via cheque. Some payments like IDF fees can be paid through the mobile payment platform eliminating the need for the trader to visit the bank. In addition, Short Messaging System (SMS) functionality offers immediate notification of application decisions (e.g. issue and rejection) through a client designated mobile phone number.

3. Increased Level of Automation

Before the implementation of KNESWS, a paltry 19% (15) of the trade facilitation processes and procedures in all relevant government agencies were automated – majority of the administrative work was manual. As at June 2018, 87% (83) of them were automated through the KNESWS. Automation has reduced costs, improved efficiencies and productivity (both for the traders and government agencies) by automating administrative work, manual documentation/paper work and eliminating (or reduced

to a minimum and data required by any government agency for a transaction) inefficiencies linked with manual workflow processes such as delays, physical movement from one government agency to another, duplicity of records and information, redundant tasks and error. Automation has enabled inclusivity - more stakeholders are able to engage in trade facilitation. For example, access to previous automation at KRA (MMS) was limited to few stakeholders; through KNESWS many more stakeholders have access to transactions made in the KRA back office systems.

Automation has improved management, storage and retrieval of information and documents through use of Information Technology. KNESWS has assisted in the collection of trade statistics and reporting, resulting in consistency in the way government agencies operate.

4. Reduction in Time and Number of Processing Pre-import Documents

The system offers convenience through a paperless (electronic) application for permits by traders on a 24/7 basis and has greatly improved efficiency in document processing. The system enables approvals to be done from outside the office and official hours.

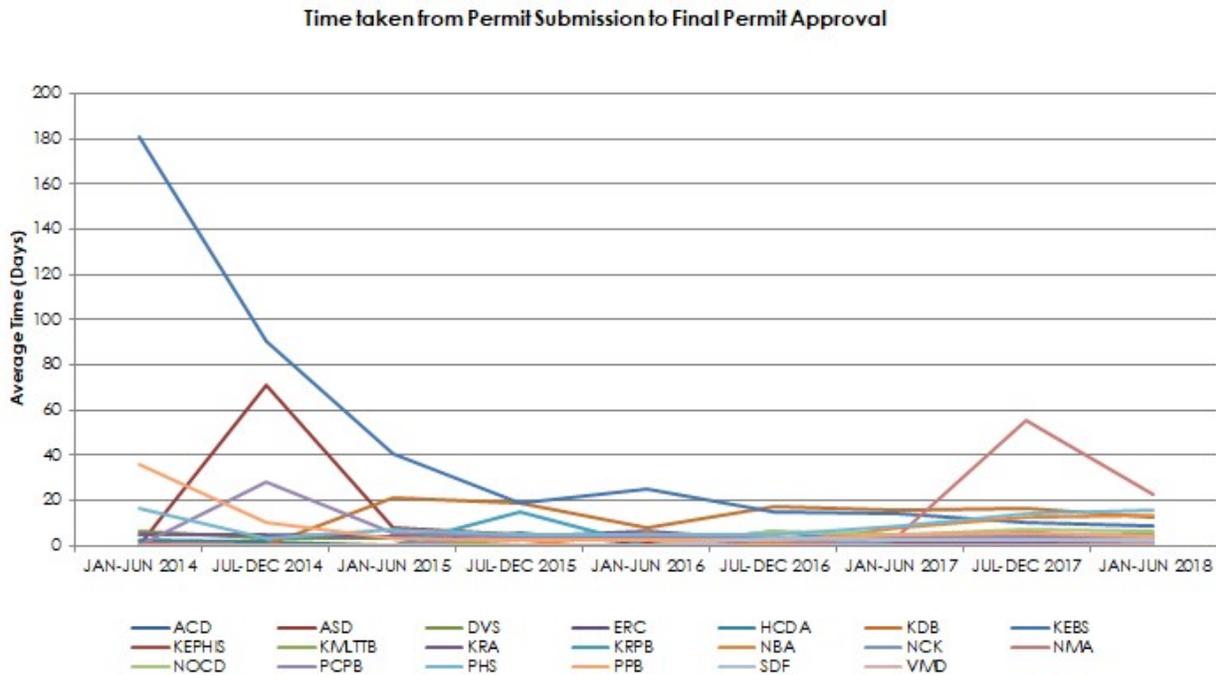


Figure 5: Trend: time taken from import permit submission to final permit approval by government agency

Source: KNESWS

The time take to obtain pre-import and export documents (permits/certificates/licenses) from the various agencies has seen marked decline through the use of KNESWS

(estimated to have reduced by over 50% and depending on the PGA) and has improved as the KNESWS matured (Figure 5). For example; Kenya Radiation Protection Board has seen a reduction in the issue of Import License for Radio Active Devices come down from 30 days to under 1 day. Similarly, Pharmacy and Poisons Board has seen a reduction in time take to issue the pre-import documents from 23 days in 2012 to 4.4days as at 30th June, 2018 and 23 days in 2012 for export to 2.4 days (Figure 6).

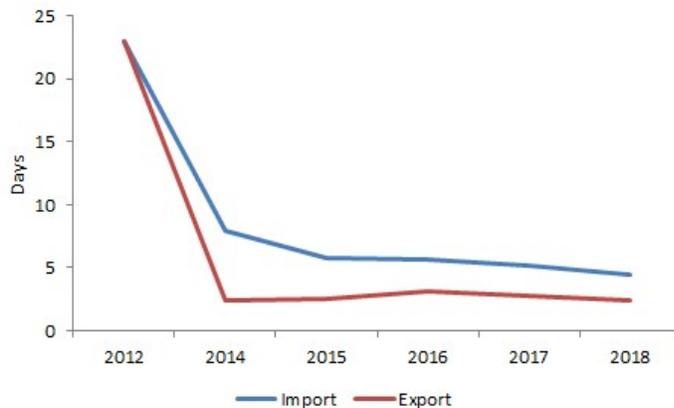


Figure 6: Trend: time taken from permit submission to final permit approval by PPB

Source: KNESWS

The availability of attachments for re-use by other agents, process simplification and harmonization resulted in a reduction in the average number of documents required for processing applications by about 44% from a total 281 to 157 documents for PGAs covered during the BPR exercise (Appendix VI). For example SDF has reduced the number of documents required for the issue of an import permit for live fish from 6 to 2 documents (eliminating payment receipt, copies of invoice, copies of IDF, health certificate, and the application form). The cloning functionality in KNESWS also makes it easy to complete document preparation. These reductions of time, re-usability and number of documents have positively impacted on the time taken to trade (Appendix V). For example, significant time savings have been observed in the preparation of manifest from 2-3 days to just 15 minutes for larger agents running their own automated systems; simplification of license/permit issuing process through BPR in WMD eliminated the need for the approvals to be made at the Ministerial level. For NEMA, the system has eliminated the need to have clients present deposit slips for receipting.

5. Enhanced Efficiency, Productivity and Consistency in Operations of Government Agencies

The KNESWS has increased efficiency of trade facilitation by government agencies, making it simpler and easier for the agencies to receive and access permit application forms, process them online, and deliver approved or rejected permits to the traders in a

timely and consistent manner. The permits are available in real time as soon as they are approved. The system has enhanced communication and sharing of documents between government agencies; all relevant government agencies under another agency are able to access the licenses and permits through the system. This has entirely removed the need for the trader going from office to office, a requirement that existed before the advent of the KNESWS. In addition, movement between PGAs (by PGAs) for physical transfer of documents was eliminated through automation and business process re-engineering. For example; before KNESWS, import permit approvals for veterinary medicines had to be physically delivered from DVS to the PS Ministry of Agriculture for approval and later returned to DVS for collection by the trader. The process now has eliminated the need for the PS to approve the permit and by extension the need to physically move the permit between DVS and the Ministry.

The Dynamic Risk Management module in the Kenya TradeNet System has made it easy for government agencies to target and release cargo. The System enables agencies to profile cargo based on various set criteria such a place of origin, nature of cargo, history of the importer/exporter etc. making it easy for an agency to target specific individuals/cargoes without inconveniencing others.

The Kenya TradeNet system allows government agencies and stakeholders to free up their workforce from many repetitive actions that actually do not need that much human intervention; enabling them to reorganize their operations and structure to focus more on other value adding tasks.

6. Enhanced Efficiency, Productivity and Consistency in Operations of Private Sector Organizations

Traders and their trade facilitation agents have observed improved efficiencies in their operations – taking less time and costs in obtaining permits, approvals and other documents. KNESWS has enabled these stakeholders to transact more within the same time leading to increased revenue, effective and efficient deployment of resources, and improved employee productivity.

The efficiency in permitting and compliance has greatly improved predictability and planning, and reduced the demurrage charges. KNESWS has facilitated for a predictable application and explanation of trade facilitation rules and requirements.

7. Improved Governance, Accountability and Transparency

The KNESWS has reduced, and in some cases eliminated, human interaction between officers in government trade facilitation agencies and the private sector, leading to improved governance and transparency in the way business is conducted. Traders and

other stakeholders receive system notifications on the application approval progress making it is easy to keep track. The ability to track the time taken to process documents by the stakeholders across multiple steps and government agencies has also had a positive impact on the accountability and response rates of the government agencies and a reduction in opportunities for rent seeking. KNESWS has made it more secure to facilitate trade since government officers no longer need to handle a lot of money.

8. Faster Clearance and Release of Cargo

Cargo documentation for clearance of cargo are submitted through the KNESWS once and made electronically available for seamless use by customs and other government agencies. The removal of potential to falsify documents secured Government agencies confidence in documents processed through the KNESWS and has speeded up their processing. This has minimized the effort required to confirm the authenticity of the permits and eliminated the need to submit hardcopy permits at the time of clearance of cargo. This initiative, coupled with others, has contributed to the continued reduction of clearance time by 32 percent and cargo dwell time by 39 percent (Table 1) during the period 2011 to 2018.

Table 1: Cargo Dwell and Clearance Time (in Hours) at the Port of Mombasa 2012 – June 2018

Year	2012	2013	2014	2015	2016	2017	2018	Time Reduction %
Cargo Dwell Time	172	134	88	94	96	113	104	39
Customs Release to Cargo Pickup	54	62	44	43	46	49	38	48
Clearance Time	118	72	44	51	50	64	66	32

Source: Northern Corridor Transport Observatory⁵

The planned implementation of the declaration and cargo release modules by December, 2018 (currently under testing/piloting) will enhance performance of the KNESWS and reduce further the human interventions by both government and private sector agencies.

9. Improved Compliance, Revenue Collection and Traceability

The KNESWS has increased compliance and ensures a correct revenue yield. Traders can no longer work outside of the system or find ways around the established payment procedures; the system enables easy detection of non-compliance and makes it easy to cross reference from the system for level of compliance of traders. KNESWS provides

⁵ <http://kandalakaskazini.or.ke/indicator.php?startdate=2016-01-01&enddate=2016-12-31&ccid=eHVvOGU3M3ZnczM>

a more structured approach to compliance and more agencies are now able to discharge their trade facilitation regulatory mandates as opposed to previously where they were involved in an ad hoc manner. The introduction of KNESWS has improved the compliance to statutory requirements and ensured a correct revenue yield. Traders can no longer work outside collection of revenue; as at 30th June, 2018 over US\$ 22.19 Million had been collected through the system with a majority government agencies recording double digit growth in revenue year on year (Figure 7). For example, AFA Fibre Crops Directorate has been able to increase its revenue (relating to Sisal Export Permit) from US\$ 0.13 Million in 2012 to 0.18 Million in 2017. From the adoption of KNESWS (between 2015 and June, 2018), PHS collected a total US\$ 0.25 Million from import health certificate (accounting to over 64% of total revenue collected from permit fees) that were previously not issued pre-KNESWS.

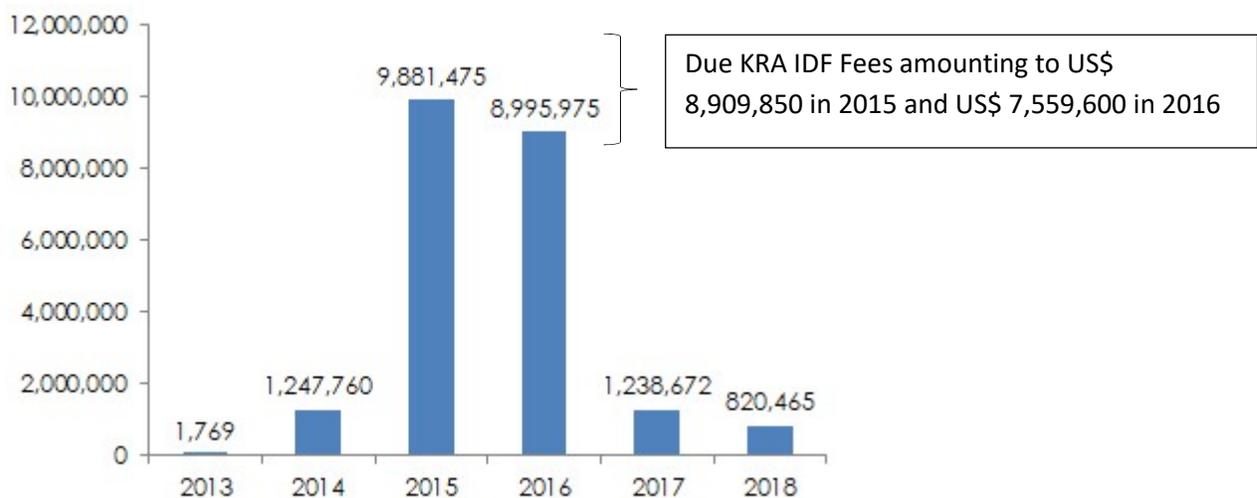


Figure 7: Revenue (US\$) collected by government agencies through the e-Payment system

Source: KNESWS

Kenya TradeNet System is also linked to the financial institutions (banks, mobile payment solutions) through Kenya Revenue Authority (KRA) iTax System and the Government's eCitizen platforms and therefore providing an end to end electronic cargo documentation platform. In addition, the system has reduced revenue leakage through minimal/elimination of cash transactions at the government agencies.

10. Improved Collaboration between Government Agencies

Apart from an improved awareness of mandates and functions of the various government agents within the government agencies, Kenya TradeNet System has also catalyzed and enhanced the collaboration and coordination between various government agencies especially for agencies that are inter-dependent in the issuance of trade documents. For example Kenya Dairy Board and Department of Veterinary

Services issue trade documents for the export of dairy products. During the implementation of the KNESWS, KenTrade & IFC facilitated joint business process review sessions which took into account the interests and mandates of each agency and thereby assisted in a better and clear understanding of the co-dependency of each other in the exportation of dairy products.

11. Enhanced Reporting and Availability of Trade Facilitation Statistics

With the manual system, it was difficult for the government agencies to store data (physical files/records), retrieve data efficiently when required and also to analyze and report. KNESWS has offered a secure, accurate and efficient data repository and reporting capabilities leading to real-time data update and better sharing of relevant data across the PGAs and departments and enabling PGAs to generate reports with ease for prompt decision-making.

KNESWS has enabled the country to have a single source of data and trade facilitation statistics which is available on real-time basis.

Operational Challenges

“We acknowledge the challenges associated with the single window and are looking forward to improvements” Racheal Njuguna, Spedag Interfreight (19th June, 2018)

1. Manual Back Office Processes at Partner Government Agencies

For majority of the partner government agencies, KNESWS is the only electronic system that is operational; most of the back office processes are manual. As such, inefficiencies attributed to manual procedures supporting the automated processes in KNESWS have an effect on the overall efficiencies of the full trade facilitation process. For example, the issuing of a KEBS local CoC is manual and delays experienced in its issue leads to clearing delays by KRA.

2. Manual Interventions in Automated Processes

Despite the automation of most of the processes, some PGAs issue manual supporting documentation (e.g. PPB's retention certificate, KEBS local CoC) as part of the pre-clearance process but do not upload the documents into the KNESWS meaning that the stakeholder (CA and EXIM) has to collect the document from the PGA office, scan and upload the documents in KNESWS.

3. Duplication of Procedures in Automated Processes

Some PGAs request for physical documents which already are available in KNESWS negating the very fundamental functionality and objective of the single window system – availability of trade facilitation documents in one system for all stakeholders.

4. Missing, Suboptimal Processes and Procedures

Some PGAs require payments to be made directly to the institution at their offices (e.g. through bankers cheque for PPB) as opposed to the payment process supported by KNESWS thereby creating delays in the completion of the process.

Some processes were noted as missing e.g. export manifest submission and delivery order.

5. System Availability

Despite the reduction of system downtime over time, occasional system down time (approximated at 2-3 hours in a week) have led to delays in processing of documents through the KNESWS. It was observed that KenTrade does not have a robust application performance monitoring tool making it difficult to troubleshoot and monitor performance when issues arise; leading to the occasional down time and longer mean times to repair.

An integral risk at KenTrade is the absence of a Business Continuity Plan that exposes the KenTrade to the risk that critical services and critical support services would not resume within targeted recovery times during a disruption. With the clearance of goods relying on the Kenya TradeNet System, such a disruption would have dire consequences to trade and services that rely on the trade.

6. Redundant Data Forms

The generality of KNESWS data forms creates an impression of redundancy depending on the information required by each PGAs/Traders whereby pop-up windows and fields not relevant to the need make completion and navigation within an application prolonged. For example there are 7 tabs that users have to navigate through to complete the application for an International Certificate of Origin for Coffee.

7. Reliable Supporting Infrastructure at PGAs

Some PGAs lack facilitation for the required infrastructure to connect to the KNESWS (e.g. internet connectivity and laptops/computers) while some have unstable internet services causing delay in permit processing.

8. Supporting Infrastructure and Notification Functionality

KNESWS has upload limitations on the voluminous documents (e.g. sea manifest) leading to periodic interventions (splitting document) while scanning/uploading the multiple portions of the document.

Despite the existence of email and internal system notification functionality, the survey reported inadequate notifications/alerts by the system on permit application that occasioned delays in processing of documents. The user must keep logging into the system to check if there's an application that needs attention.

Proposed enhancements, observations and recommendations

Below are enhancements that would improve the use and reliability of the Kenya TradeNet System by the traders and stakeholders.

1. System extension, implementation and enhancements
 - 1.1. Automate more processes and procedures in KNESWS to eliminate human interaction with government agencies and enable market competitiveness. For example; automate KEBS' local CoC issuance process and harmonize operations between KEBS and KRA; making the local CoC available online in KNESWS; export manifest submission and delivery order.
 - 1.2. Simplification of the system by reducing the number of unnecessary data forms, fields and window pop ups within KNESWS to ease navigation within the system.
 - 1.3. Improve and avail an online (within KNESWS) communication functionality to assist in managing issues and improving resolution; notification and messaging

service, between the various stakeholders e.g. clearing agent and PGA officer. An alert system configured to mobile phone platform of the approving officers is proposed for consideration.

- 1.4. Fast-track the implementation of the declaration and cargo release modules to eliminate the need for physical documents (e.g. KEBS CD) during the clearing process.
 - 1.5. Post-KNESWS implementation, consider other reforms and automation to support trade facilitation beyond KNESWS. For example, implementation a logistics scheduling system where trucks (on release from port for transit) would be tracked and scheduled for clearance at the border posts and thereby eliminating the queues experienced at the border points and also minimize cases of truck and cargo diversions
 - 1.6. Make available more reports for the PGAs with ad hoc report generation capabilities e.g. PGAs to be given rights to access /generate reports to reconcile the Trader's transaction account in case of trader complaints.
2. Integration of KNESWS with other systems for improved operational efficiency
 - 2.1. KenTrade is implementing the InfoTrade Kenya Portal in line with the WTO TFA. Whereas Kenya TradeNet System has streamlined the application and processing of permit and eventually the cargo release process, not all traders are aware of the procedures expected to go through. InfoTrade Kenya portal provides a one-stop-shop for information on trade whose aim is to achieve total transparency. The procedure includes steps that should be performed before submitting documentation through the TradeNet System. There exists an opportunity to link the two systems for easy and efficient information availability to traders.
 - 2.2. Consider integration of KNESWS and other PGAs back office operations (e.g. KEBS, PPB) to support permit/certificate application and make available required documents generated in the PGAs available in real-time and electronically in KNESWS. This will eliminate duplication of documents (or multiple copies) and make a single common electronic document available for use in multiple consignments. For example, PPB's retention certificate is attached to each new consignment as opposed to a single upload that is made available to subsequent consignments.

The integration with other business systems should be less tightly coupled. The integration module should be reworked to use standard web services for information exchange as opposed to the current proprietary messaging service being used.
 - 2.3. Consider integration of KNESWS to key stakeholders (e.g. Shipping Agents/ Lines and other service providers) to eliminate human activity in some processes (e.g. manifest submission).
 3. Improved availability of the KNESWS and other systems (e.g. KRA's ICMS, KPA's KWATOS) integrated with KNESWS.

- 3.1. Consider introducing and enforcing SLAs between the integrated PGAs with KNESWS and between KNESWS with stakeholders supported with automation. For example, if a manifest is lodged with an SLA approval time by KRA of 2 hours, on lapse of the 2 hours the system should send a reminder and if not acted upon within 15minutes of the reminder, the manifest would be automatically approved.
- 3.2. Consider developing a proactive Business Continuity Plan (BCP) to avoid and mitigate risks associated with a disruption of operations. The BCP enable critical services to be continually delivered to clients. Instead of focusing on resuming a business after critical operations have ceased, or recovering after a disaster, a business continuity plan endeavors to ensure that critical operations continue to be available.
- 3.3. Implementing an application performance monitoring tool will allow users to monitor and track the performance of particular software or web applications to identify and solve any performance issues that may arise and supported with timely advance notification of planned service outages to both PGAs and Traders.
4. Other supporting interventions would include;
 - 4.1. Continue facilitating change management and information sharing sessions with various stakeholders for a better understanding and awareness of the KNESWS's functionality and role in trade facilitation.
 - 4.2. Removal of the requirement to submit original physical documents to PGAs (e.g. KRA) but enforce mandatory archival at the stakeholder level for future reference and periodic audits by PGAs. Alignment/harmonization of various Acts by government agencies would provide clarity of mandates and ensure no overlaps or duplication. This would support and enhance trade facilitation through KNESWS.
 - 4.3. KNESWS has the potential to facilitate an enhanced inter-agency coordination and cooperation for improved efficiency in trade facilitation. For example the extension of the KNESWS to facilitate the scheduling of joint cargo inspections, inter-agency risk management approach.
 - 4.4. Despite the marked reduction trade facilitation document preparation times for various agencies; analysis of the time taken to approve documents since the adoption of the KNESWS to date by some PGAs (e.g KDB, NOCD) has been on the increase. It would be prudent to consider understanding factors that have led this increase and putting in place mitigating actions at both KenTrade and PGA levels before the previous gains are totally eroded. Such mitigating actions would include incorporating KNESWS metrics in the performance contracting for the PGA component managers, periodic performance updates/discussions between KenTrade and PGAs, Publishing of PGA KNESWS performance metrics and benchmarking against previous performance amongst other that would support continuous improvement.

Lessons Learnt (Key Challenges)

The implementation of the KNESWS experienced great challenges/difficulties in the early years of the project that led to an over 2 year delay. A turnaround of the project was achieved in the late 2013 setting ground for an accelerated project implementation from 2014 to project closure in June 2017 leading to the achievement of major gains.

1. Government Sponsorship and Slow Uptake

The Executive Order establishing KenTrade was signed by the President of the Republic of Kenya, on 14th January 2011 and gazetted as Legal Notice No 6 of 2011 on 28th January 2011. The better part of 2011 was dedicated to formation of the implementing agency (Kenya Trade Network Agency) putting the organizational structures and 5 year plan in place. This was followed by a two year period of regime change politics that led to a lack of focus by the government and characterized by little or no political will to influence and support KenTrade operations.

Despite the executive order, other key trade facilitation agencies were not receptive to the new role by KenTrade as the role was not understood and as such reluctant to support the KNESWS implementation. This side tracked the early operationalization of KenTrade and further created delays and was compounded further by the low level commitment from the supervision Ministry and other Ministries/departments.

A major turning point for KenTrade was high level commitment to the KNESWS by the new regime that came to power in 2013; especially the Presidency, that gave KenTrade a new impetus to drive the implementation of the KNESWS, a national ownership and sponsorship of the system. Political good will, commitment and focus of the new government in late 2013 fast tracked KenTrade operations, Presidential (top level) interventions and support to remove barriers profiled KenTrade as a strategic and key institution in the government delivery plans amongst others – linking KenTrade's mandate to the Kenya's Vision 2030 and government key agenda. In addition to the technical support, the IFC Trade Logistics team used its network in national government, relevant government agencies and private sector bodies e.g. KRA, KEPSA, KAM, KMA, KEBS to manage the expectations, resistance and sensitizing stakeholders on the value of the electronic Single Window system and individualize the value of KNESWS to their organizations and members.

2. Client Capacity

At the beginning of the project, the implementation team comprised of staff who had been seconded from other Ministries/government agencies. This delayed the commencement of the project as scheduled, as the officers lacked exposure to Single Window Systems.

Subsequently KenTrade recruited permanent staff and capacity building efforts undertaken. A committee of top decision making individuals of the relevant government agencies was constituted with monthly/quarterly progress reporting.

3. Low Awareness of the Project

Having had a lacking start of the project and institutionalization of KenTrade, a majority of the stakeholders were not aware of the objectives and importance of the envisaged reforms through KNESWS leading to a low buy in of the project.

Change management at all levels and throughout the project and pre/post project phases (prior, during and post implementation) is critical to the successful implementation of reforms. The development of a change management and communications strategy for agencies participating in the KNESWS is central to the success of the implementation as it will rely heavily on the readiness, capability and commitment of the stakeholders both in the trade community, government and government agencies. Broad engagement of the stakeholders and government agencies (management and trade facilitation resources) to support the Kenya National Electronic Single Window System project was undertaken through workshops. This created a common understanding of the project and facilitated knowledge sharing between the agencies – especially those that had interdependent processes. The workshop attendees and nominated KNESWS champions became the change agents and KNESWS ambassadors in their organizations. The business process review and re-engineering (BPR) activities (jointly undertaken by KenTrade, respective partner government agency(ies) and IFC) ensured involvement of change agents and management in the development of new ways of working under the KNESWS – thereby ensuring early buy in and ownership of the change. Capacity building and best practice shared with KenTrade staff and the government agencies through the BPR workshops and individual sessions with the agencies (IFC consultant led) ensured sustainability of the system and process post project implementation. The sustainability is evidenced by completed BPR and implementation by KenTrade for an additional six government agencies post project implementation.

A strong inter-agency coordination was facilitated by KenTrade and achieved through the steering committee and frequent scheduled status briefings by KenTrade to top leadership in the various government agencies and stakeholders. This was further complemented by strong leadership at the helm of the implementing agency.

Conclusion

The overriding objective of KICP II Trade Logistics component was to facilitate a more efficient trade logistics system that would ease the flow of goods in Kenya and through Kenya to the greater EAC Region.

Article 10.4.1 of the WTO TFA (WTO TFA Article 10.4: Single Window)⁶ calls for Member States *'to endeavor to establish or maintain a single window, which enables traders to submit documentation and/or data requirements for importation, exportation, or transit of goods through a single entry point to the participating authorities or agencies. After the examination by the participating authorities or agencies of the documentation and/or data, the results shall be notified to the applicants through the single window in a timely manner.'* Countries could use Single Windows as an platform to provide transparency on the fees and charges (Article 6.1), allow for the electronic payment of duties, taxes and fees (Article 7.2) and minimize the formalities and documentation requirements, including the use of copies (Articles 10.1 and 10.2). Article 7.4.3 of the WTO TFA (WTO TFA Article 7:4 Risk Management) states *'Each Member shall concentrate customs control and, to the extent possible other relevant border controls, on high risk consignments and expedite the release of low-risk consignments. A Member also may select, on a random basis, consignments for such controls as part of its risk management'*. Article 8.1 of the WTO TFA (WTO TFA Article 8: Border Agency Cooperation) calls for each Member to *'Each Member shall ensure that its authorities and agencies responsible for border controls and procedures dealing with the importation, exportation, and transit of goods cooperate with one another and coordinate their activities in order to facilitate trade'*. Throughout the successful implementation of the eSW, KICP II supported the Government of Kenya meet the requirements of the afore-mentioned TFA Articles. The implementation of the Risk Management module in eSW supported the implementation of the WTO TFA Article 7.4.3. The TFA entered into force on 22nd February 2017 following its ratification by two-thirds of the WTO membership.

Out of 190 countries, Kenya improved its overall DB rank from 141 in 2011 to 80 in 2018. Implementation of the Kenya TradeNet System contributed to the improvement of the Kenya's trading across borders rank from 144 in 2011 to 106 in 2018

Table 2: DB2011, DB2012 and DB2018 comparison

Indicator	DB2011	DB2012	DB2018
Overall Rank	141	109	80
Trading Across Borders	144	141	106

Source: DB2011, DB2012 and DB2018 Reports

⁶ https://www.wto.org/english/tratop_e/tradfa_e/tradfa_e.htm

Based on the below evaluation of the main objectives of the program against the key achievements of the Kenya TradeNet System, the overriding objectives were achieved through the implementation of the system. The key achievements and benefits accrued are summarized below in Table 3:

Table 3: Summary of KNESWS key achievements and benefits

Government	Private Sector
1. Improved connectivity, processes and procedures	1. Improved connectivity, processes and procedures
2. A reduction in document processing time	2. A reduction in document processing time
3. Increased level of automation	3. Cost reduction in administrative cargo clearance processes/procedures
4. Improved efficiency in operations	4. Improved efficiency in operations
5. Improved governance, accountability and transparency in the way business is conducted	5. Increased transparency in the way business is conducted
6. Improved compliance and revenue collection	6. Increased revenue, effective and efficient deployment of resources, and improved employee productivity
7. Improved collaboration between government agencies	7. Enhanced clarity and predictability in the application and understanding of trade facilitation rules and requirements
8. Improved reporting and real-time availability of trade statistics	8. Reduction in cargo clearance time

Below (Table 4) is the summarized evaluation of the KNESWS implementation against the main objectives;

Table 4: Evaluation of the KNESWS implementation against the three main objectives

Key Objectives	How objective was achieved	Evaluation
<p>1. Establishment of the national electronic single window</p>	<p>In May 2014, the Kenya National Electronic Single Windows was formally launched by the Kenyan President and witnessed by regional leaders.</p> <p>As at 30th June, 2018; 22 modules have been implemented, 30 government agencies issuing 58 trade documents are connected to the KNESWS; and over 9,000 registered users accessing the system. Over 1,297,000 permit issuing transactions have been completed through the system.</p>	<p>Met</p>
<p>2. Enhancing the technical capacity of related agencies reducing time and cost for import/export documentation requirements.</p>	<p>The government agencies are now able to process the applications for trade documents through the Kenya TradeNet System with 5 of them having their back end systems integrated with the KNESWS thereby offering optimal efficiencies.</p> <p>Objective 1: to reduce number of days to export and import</p> <ul style="list-style-type: none"> ▪ Average number of days to comply with business regulation - Imports Baseline DB: 24 Target: 18 Result: 15 ▪ Average number of days to comply with business regulation - Exports Baseline DB: 26 Target: 19 Result: 13 <p>Objective 2: to reduce number of documents to export and import</p> <ul style="list-style-type: none"> ▪ For import clearance Baseline DB: 7 Target: 6 Result: 7 ▪ For export clearance 	<p>Partially Met</p>

Key Objectives	How objective was achieved	Evaluation
	Baseline DB: 8 Target: 7 Result: 8	
3. Achieving private sector cost savings (PCS) of US\$ 21.9 million one year post completion from trade related efficiencies.	A private sector costs saving of US\$ 25.6 million was achieved on year post completion.	Met

Success Factors to KNESWS Implementation

The critical factors for the successful implementation of the Kenya National Electronic Single Window System were identified as:

- Existence of a lead agency, strong leadership and strategic identification of counterparts and activities for implementation;
- Well-structured project charter and governance framework;
- Political good will, buy-in and government sponsorship;
- Supporting Legal framework;
- Technical and client capacity building;
- Timely stakeholder buy-in, coordination and change management;
- Dedicated team of specialists/Consultants to provide day to day technical assistance and associated support in the implementation processes; and
- Collaboration with IFC to provide global expertise at critical milestones of the project.

APPENDICES

APPENDIX I SINGLE WINDOW BENEFICIARIES

1. Banks
2. Customs Agent
3. Container Freight Station Operators
4. Courier
5. Freight Forwarders
6. Cargo Handling Agents
7. Insurance Companies
8. Insurance Regulatory Authority
9. Marine Surveyors
10. Partner Government Agencies/Government
11. Port Authority
12. Shipping Agents and Slot Charters
13. Traders - Exporters or Importers
14. Treasury (Government)

APPENDIX II

SERVICES (MODULES) DELIVERED THROUGH THE KNESWS

	Module	Status
1	Unique Consignment Reference (UCR)	Complete
2	Impending Arrival Report (IAR)	Complete
3	Bay Plan (BAPLIE) submission	Complete
4	Manifest Sea	Complete
5	Permits	Complete
6	Import Declaration Form (IDF)	Complete
7	Payments	Complete
8	Availability of attachments	Complete
9	Cargo Release	Test
10	Reports	Complete
11	User Admin	Complete
12	Integration with Kenya Revenue Authority - SIMBA and ICMS	Complete
13	Integration with Kenya Ports Authority Systems	Complete
14	Integration with KEPHIS System	Complete
15	Dynamic Risk Management	Complete
16	E Trade Portal	Complete
17	Maritime Single Window	Development
18	Short Messaging Service	Complete
19	Integration with Port Health Services	Complete
20	Marine Cargo Insurance	Complete
21	Integration with HCD	Pilot
22	Integration with KMA	Complete
23	Bonds Management	Complete
24	Declaration	Test

APPENDIX III

IMPLEMENTATION STATUS OF GOVERNMENT AGENCIES

Government Agency	Status
1. AFA Coffee Directorate	Completed
2. AFA Fibre Crops Directorate	Completed
3. AFA Food Crops Directorate	Pending
4. AFA Horticulture Crops Directorate	Completed
5. AFA Nuts and Oil Crops Directorate	Completed
6. AFA Pyrethrum & Other Industrial Crops Directorate	Pending
7. AFA Sugar Directorate	Completed
8. AFA Tea Directorate	Pending
9. Anti Counterfeit Agency	Completed
10. Central Firearms Bureau	Pending
11. Directorate of Veterinary Services	Completed
12. Energy Regulatory Commission	Completed
13. Ethics and Anti Corruption Commission	Completed
14. Kenya Bureau of Standards	Completed
15. Kenya Dairy Board	Completed
16. Kenya Forest Service	Completed
17. Kenya Maritime Authority	Completed
18. Kenya Medical Laboratory Technicians and Technologist Board	Completed
19. Kenya National Chamber of Commerce & Industry	Pending
20. Kenya Plant Health Inspection Services	Completed
21. Kenya Police Service	Completed
22. Kenya Ports Authority	Completed
23. Kenya Revenue Authority	Completed
24. Kenya Wildlife Service	Completed
25. Mines Geological Department	Completed
26. National Biosafety Authority	Completed
27. National Environment Management Authority	Completed
28. Nursing Council of Kenya	Completed
29. Office De Gestion Du Fret Maritime	Completed
30. Pest Control Products Board	Completed
31. Pharmacy and Poisons Board	Completed
32. Port Health Services	Completed
33. Radiation Protection Board	Completed
34. State Department of Fisheries	Completed
35. Veterinary Medicines Department	Completed

APPENDIX IV

LIST OF AGENCIES AND PROCESSES CONNECTED TO KNESWS

Legend

Completed
Pending
Development/UAT
Completed/Not in use

	NAME OF PARTNER GOVERNEMENT AGENCY		PROCEDURE/PROCESS	STATUS
1	Kenya Revenue Authority	1	Import Declaration Form (IDF)	
		2	Security Bonds Approval	
		3	Sea Manifest approval	
		4	Air Manifest approval	
		5	Declaration-Export	
		6	Declaration-Import	
		7	Declaration transit	
2	Directorate of Veterinary Services	1	Export permit	
		2	Import permit	
		3	International Veterinary Certificate (Export)	
		4	Certificate of no objection for import of milk and milk products	
		5	Export Clearance	
		6	Import Clearance	
3	Kenya Ports Authority-KPA	1	Viewing Only - Non Permit	
4	AFA Horticulture Crops Directorate (former HCDA)	1	Application for Export Certificate	
		2	Application for Export License	
5	Kenya Bureau of Standards (KEBS)	1	KEBS Inspection and Approval Document	
6	Kenya Plant Health Inspection Services (KEPHIS)	1	Phytosanitary Certificate (for integration)	
		2	Plant Import permit (for Integration)	
7	Port Health Services (PHS)	1	Import Health Certificate	
		2	Export Health certificate	

	NAME OF PARTNER GOVERNEMENT AGENCY		PROCEDURE/PROCESS	STATUS
8	Pharmacy and Poisons Board (PPB)	1	Permit Commercial	
		2	Export Permit	
9	AFA Sugar Directorate	1	Annual Import License	
		2	Annual Export License	
		3	Annual Import Permit	
		4	Annual Export Permit	
10	Kenya Dairy Board (KDB)	1	Import Permit	
		2	Export Permit	
		3	Import Clearance Certificate	
11	Kenya Medical Laboratory Technicians and Technologist Board (KMLTTB)	1	Export Permit	
		2	Import Permit	
		3	Research Exemption Permit	
		4	Government Project Exemption Permit	
		5	Training Exemption Permit	
		6	Donation Exemption Permit	
12	Pest Control Products Board (PCPB)	1	Import License	
		2	Export License	
13	Nursing Council of Kenya (NCK)	1	Import Permit	
14	Central Firearms Bureau	1	Import Permit	
		2	Removal Permit	
		3	CFB Certificate (Import)	
15	Kenya National Chamber of Commerce & Industry (KNCCI)	1	Certificate of Origin	
16	AFA Tea Directorate	1	Import Permit	
		2	Export Permit	
17	National Environment Management Authority	1	Controlled Substance Import Permit	
		2	Controlled Substance Import License	
		3	Controlled Substance Export Permit	
		4	Controlled Substance Export License	
		5	Waste Export Permit	

	NAME OF PARTNER GOVERNEMENT AGENCY		PROCEDURE/PROCESS	STATUS
18	Anti Counterfeit Agency	1	Viewing Only - Non Permit	
19	Ethics and Anti Corruption Commission	1	Viewing Only - Non Permit	
20	Radiation Protection Board	1	Import License-Radioactive Devices	
		2	Export License-Radioactive Devices	
		3	Radio Analysis Certificate	
21	National Biosafety Authority	1	Approval to import GMOs	
		2	Approval to export GMOs	
		3	Approval to transit GMOs	
		4	GMO status for imports	
		5	GMO status for exports	
22	State Department of Fisheries	1	Import - Fish and Fishery Products	
		2	Import for Live Fish	
		3	Import for Sample of Fish and Fishery Products	
		4	Export-Fish and Fishery products	
		5	Export for Live Fish	
23	Kenya Forest Service	1	Import Permit for Finished Timber	
		2	Export Permit for Finished Timber	
		3	Export Permit for Timber	
24	AFA Fibre Crops Directorate(Cotton and Sisal)	1	Sisal Export Permit	
		2	Cotton Seed Export Permit	
		3	Lint Export Permit	
		4	Sisal Marketing Agency License (Contract Volume Document)	
25	AFA Nuts & Oil Directorate	1	Nuts and Oil Produce Product Import Declaration Form	
		2	Nuts and Oil Produce Product Export Declaration Form	
26	Energy Regulatory Commission	1	Solar Components Approval Permit	
		2	Energy Performance Labels Approval	
		3	Energy Performance Labels Approval Permit	

	NAME OF PARTNER GOVERNEMENT AGENCY		PROCEDURE/PROCESS	STATUS
		4	Refrigerator and Ballast Lamps Permit	
27	AFA Coffee Directorate	1	ICO Certificate of Origin	
28	AFA Food Crops Directorate	1	Import Permit for Food Crops	
		2	Export Permit for Food Crops	
29	AFA Pyrethrum & Other Industrial Crops Directorate	1	Pyrethrum Export Process	
		2	Pyrethrum Import Process	
30	Kenya Wildlife Service	1	CITES Export Permit	
		2	CITES Import Permit	
		3	Non CITES Import Permit	
		4	Non CITES Export Permit	
		5	CITES Re-export Permit	
		6	Non CITES Re-Export Permit	
31	Mines Geological Department	1	Mineral Export Permit	
32	Veterinary Medicines Directorate	1	Import Permit for Veterinary Medicines	
		2	Export Permit for Veterinary Medicines	
33	OGEFREM	1	Certificate of Destination	
34	Kenya Police Service	1	Viewing Only - Non Permit	
35	Kenya Maritime Authority	1	Viewing Only - Non Permit (Integration for Manifest Data)	

APPENDIX V

SUMMARY OF AUTOMATED PROCESSES, TIME AND NUMBER OF TRANSACTIONS

	NAME OF PARTNER GOVERNEMENT AGENCY	PROCEDURE/PROCESS	Export or Import process	Time taken to complete Process/Procedure (Day)			Baseline No. of Transactions 2012 ⁹	No. of Transactions (eSW or automated PGA System) ⁷
				Baseline 2012 ⁸	2018 (eSW)	Days Reduction		Total (2014-2018)
1	Kenya Revenue Authority	Import declaration form (IDF)	import	3	1.3	1.7	no info	786,814
		Security Bonds Approval	import	4-5	1	4.0	no info	27,944
		Sea Manifest Approval	import	3	1	2.0	no info	13,835
		Air Manifest approval	import	1	1	0.0	no info	341
2	Directorate of Veterinary Services	Export permit	export	10	3.4	6.6	no info	4,835
		Import permit	import	10	5	5.0	no info	8,658
		International Veterinary Certificate	export	5	1.6	3.4	no info	5,584
3	Kenya Plant Health Inspection Services	Plant Import permit for Integration	import	1	1	0.0	23,899	134,769
		Phytosanitary Certificate	export	1	1	0.0	199,168	1,617,031
4	Port Health Services	Import Health Certificate ¹⁰	import	n/a	25.6		n/a	25,600
		Export Health	export	3	11.5	(8.5)	no info	9,169

⁷ Data extracted from KNESWS as at June, 2018

⁸ Source of Baseline 2012 (used as Baseline for 2010) was either from BPR reports, interviews with PGA or records of 2012

⁹ Most PGAs were manual hence did not have any number of transactions baseline data

¹⁰ No Import Health Certificates were issued before KNESWS implementation

	NAME OF PARTNER GOVERNEMENT AGENCY	PROCEDURE/PROCESS	Export or Import process	Time taken to complete Process/Procedure (Day)			Baseline No. of Transactions 2012 ⁹	No. of Transactions (eSW or automated PGA System) ⁷
				Baseline 2012 ⁸	2018 (eSW)	Days Reduction		Total (2014-2018)
		Certificate						
5	Pharmacy and Poisons Board	Permit Commercial (averaged for various types of goods) for Import including medical devices	import	23	4.4	18.6	no info	56,996
		Export Permit	export	23	2.4	20.6	no info	9,920
6	AFA Sugar Directorate	Annual Import License	import	1-30	1	0.0	no info	1,027
		Annual Export License	export	30			no info	0
		Import Permit	import	5-7	1	6.0	no info	5,773
		Export Permit	export	5-7			no info	0
7	Kenya Dairy Board	Import Permit	import	34	17.1	16.9	no info	1,474
		Export Permit	export	13	33.7	(20.7)	no info	716
8	Pest Control Products Board	Import Permit	import	5	3.3	1.7	no info	6,199
		Export License	export	5	4.2	0.8	no info	1,194
9	Radiation Protection Board	Import License-Radio Active Devices	import	30	0.4	29.6	no info	410
		Import radio analysis certificate	import	1	2.5	(1.5)	no info	7,505
		Export License-Radio Active Devices	export	2	0.1	1.9	no info	3
10	National Biosafety Authority	Approval to import GMOs	import	90	38.1		no info	18
		Approval to export GMOs	export	90	9.1		no info	8

	NAME OF PARTNER GOVERNEMENT AGENCY	PROCEDURE/PROCESS	Export or Import process	Time taken to complete Process/Procedure (Day)			Baseline No. of Transactions 2012 ⁹	No. of Transactions (eSW or automated PGA System) ⁷
				Baseline 2012 ⁸	2018 (eSW)	Days Reduction		Total (2014-2018)
		Approval to transit GMOs	transit	90			no info	0
		GMO status for imports	import	7			no info	35
		GMO status for exports	export	7	7	0.0	no info	0
11	State Department of Fisheries	Import permit -Fish and Fishery Products	import	1	2.2	(1.2)	200	361
		Import permit for Live Fish	import	1	1	0.0	20	19
		Export permit -Fish and Fishery products	export	1	1	0.0	200	61
		Import for Sample of Fish and Fishery Products	import	1	n/a		20	0
		Export permit for Live Fish	export	1	1	0.0	1,200	489
12	AFA Nuts and Oil Crops Directorate	Nuts and Oil Produce Product Import Declaration Form	import	5	9.3	(4.3)	15	98
		Nuts and Oil Produce Product Export Declaration Form	export	5	7.1	(2.1)	3,980	377
13	AFA Coffee Directorate	International Certificate of Origin	export	1	1.2	(0.2)	1,864	5,850
14	AFA Fibre Crops Directorate (Cotton and Sisal)	Sisal Export Permit	Export	3	2.6	0.4	420	477
		Cotton Seed Export Permit	Export	1			no info	0
		Lint Export Permit	Export	1			no info	0

	NAME OF PARTNER GOVERNEMENT AGENCY	PROCEDURE/PROCESS	Export or Import process	Time taken to complete Process/Procedure (Day)			Baseline No. of Transactions 2012 ⁹	No. of Transactions (eSW or automated PGA System) ⁷
				Baseline 2012 ⁸	2018 (eSW)	Days Reduction		Total (2014-2018)
		Contract Volume Document/Sisal Marketing Agency License	Export	90	1		no info	439
15	AFA Horticulture Crops Directorate (former HCDA)	Application for Export Certificate	export	5-8 Mins	4.2	(4.2)	1,839	6
		Application for Export License	export	2 Hours			284	0
16	Veterinary Medicine Department	Import Permit for Veterinary Medicines	import	21	1	20.0	no records	64
		Export Permit for Veterinary Medicines	export	21	1	20.0	no records	18

2018 Data is for up to 30th June 2018

APPENDIX VI

REDUCTION IN TRIPS AND DOCUMENTS REQUIRED

	Government Agency	Process/Procedure	Documents Required			Dropped documents	Trips ¹¹ Made		# of Trips Reduced
			Before eSW	After eSW	Docs Reduced		Before eSW	After eSW	
1	Pest Control Products Board	Import Permit application	7	3	4	IDF, PGA Approval, Product Reg. Certificate, Application Form	2	0	2
		Export License application	5	1	4	Application form, Product Reg. Cert, Payment, PGA approval	2	0	2
2	Directorate of Veterinary Services	Import Permit application	4	1	3	IDF, PGA Approval, Application Form	2	0	2
		Export Permit application	5	3	2	PGA Approval, Application Form	2	0	2
		International Veterinary Certificate	2	1	1	Application Form	2	0	2
3	AFA - Horticultural Crops Directorate	Export License application	7	6	1	Application Form (Form 1A)	1	0	1
		Export Certificate issuance	1	0	1	KEPHIS approved commercial invoice	1	0	1
4	Kenya Bureau of Standards	Import Goods clearance/inspections	7	5	2	IDF, PGA Approval document	1	1	0
5	Kenya Plant Health Inspectorate Service	Plant Import Permit application	1	1	0		1	1	0
		Export Phytosanitary Certificate application	1	1	0		1	1	0
6	Port Health Services	Import Heath Certificate application	8	6	2	PGA Approval document, Application Form	1	0	1
		Export Heath Certificate application	5	3	2	PGA Approval document, Application Form	1	0	1

¹¹ No. of visits to PGA required by Client

	Government Agency	Process/Procedure	Documents Required			Dropped documents	Trips ¹¹ Made		
			Before eSW	After eSW	Docs Reduced		Before eSW	After eSW	# of Trips Reduced
7	Pharmacy and Poisons Board	Permit Commercial (averaged for various types of goods) for Import including medical devices	3	2	1	IDF	1	1	0
		Export Permit	2	1	1	Application Form	1	1	0
8	Kenya Dairy Board	Import Permit application	6	3	3	Application form, IDF, DVS Letter	7	0	7
		Export Permit application	4	2	2	Application Form, DVS Letter	6	0	6
9	Radiation Protection Board	Import License application	8	4	4	Appl. Form, Architectural drawing, Dealer & Engineer Licenses	3	1	2
		Radio Analysis Certification	6	4	2	PGA Approval, IDF	1	0	1
		Export License application	5	4	1	Application form	2	1	1
10	AFA - Sugar Directorate	Import License application	11	6	5	Company Profile, Audited Accounts, Articles of Association, Certificate of Good Conduct (Directors), Form E	3	0	3
		Import Permit application	6	4	2	Application form, Pre-shipment letter	3	0	3
		Export License application	11	6	5	Company Profile, Audited Accounts, Articles of Association, Certificate of Good Conduct (Directors), Form F	3	0	3
		Export Permit application	4	4	0		3	0	3
11	AFA - Coffee Directorate	Export license application	11	11	0		4	4	0
		International Certificate of Origin	2	1	1	Overseas buyer contract	2	0	2
12	National Environmental Management	Import Permit	0	0	0				0
		Controlled Substance Import License	0	0	0				0

Government Agency	Process/Procedure	Documents Required			Dropped documents	Trips ¹¹ Made			
		Before eSW	After eSW	Docs Reduced		Before eSW	After eSW	# of Trips Reduced	
	Authority	Controlled Substance Export Permit	0	0	0			0	
		Controlled Substance Export License	0	0	0			0	
		Waste Export Permit	0	0	0			0	
13	AFA - Fibre Crops Directorate	Marketing Agency Registration	10	9	1	Application form	4	0	4
		Sisal Export Permit	5	1	4	Application form, quality inspection report, proof of last payment of export levy, permit	2	0	2
		Cotton Seed/Cake Export Permit	4	2	2	Application form, permit	4	0	4
		Sisal Quality Certificate	3	1	2	Application form, certificate	4	0	4
		Cotton Lint Quality Certificate	3	1	2	Application form, certificate	4	1	3
14	AFA - Nuts & Oil Crops Directorate	Processor License	9	8	1	Application form	4	0	4
		Exporter License	9	8	1	Application form	4	0	4
		Importer License	9	8	1	Application form	4	0	4
		Nuts and Oil Produce Product Import Declaration Form	4	2	2	Application form, permit	3	0	3
		Nuts and Oil Oil Produce Product Export Declaration Form	4	2	2	Application form, permit	3	0	3
15	National Biosafety Authority	Contained Use Approval	4		4	Application Form	3	0	3
		Import Approval	5	2	3	Application Form, Payment Receipt, Cover Letter (3 copies each)	2	1	1
		Export Approval	4	2	2	Application Form, Payment Receipt (3 copies each)	2	1	1
		Transit Approval	6	4	2	Application Form, Payment Receipt (3 copies each)	2	1	1
		Environmental Release	14	1	13	12 Copies of the application	2	0	2

	Government Agency	Process/Procedure	Documents Required			Dropped documents	Trips ¹¹ Made		# of Trips Reduced
			Before eSW	After eSW	Docs Reduced		Before eSW	After eSW	
		Approval				documents			
		GMO status for imports	3	1	2	Application Form, Receipt	2	0	2
		GMO status for exports	3	1	2	Application Form, Receipt	2	1	1
16	State Department of Fisheries	Fish Exporter	10	9	1	Payment receipt	4		4
		Export Permit for Live Fish	6	0	6	Payment receipt, copies of invoice, copies of C63 or C29, copy of field inspection report, Health Certificate, application form	2	0	2
		Export Permit Fish & Fishery Products	5	0	5	Payment receipt, copies of invoice, copies of C63 or C29, copy of field inspection report, application form	2	0	2
		Fish Health Certificate	1	1	0	Application Form	2		2
		Fish Importer	7	6	1	Payment receipt	3		3
		Import Permit for Live Fish	6	2	4	Payment receipt, copies of invoice, copies of IDF, Health Certificate, application form	2	0	2
		Import Permit Fish & Fishery Products	5	2	3	Payment receipt, copies of invoice, copies of IDF, Health Certificate, application form, Import Health Certificate	2	0	2
		Import Permit for Research	1	0	1	Application Form	2	0	2
17	Kenya Revenue Authority	Import Declaration Form	1	0	1	IDF application Form	3	1	2
		Air Manifest	1	0	1	Air Manifest	1	0	1
		Sea Manifest Approval	1	0	1	Sea Manifest	3	0	3
		Security Bonds Approval	1	0	1	Security Bond	3	0	3
18	Energy Regulatory Commission	Solar Components Approval Permit	3	1	2	Application Form, Import License	1	0	1
		Energy Performance Labels Approval Permit	0	0	0	New with eSW in 2016 regulations	0	0	0

	Government Agency	Process/Procedure	Documents Required			Dropped documents	Trips ¹¹ Made		
			Before eSW	After eSW	Docs Reduced		Before eSW	After eSW	# of Trips Reduced
		Refrigerator and Ballast Lamps Permit	0	0	0	New with eSW in 2016 regulations	0	0	0
19	Veterinary Medicines Directorate	Import Permit for Veterinary Medicines	1	0	1	Application form (Form E)	6	0	6
		Export Permit for Veterinary Medicines	1	0	1	Application form	6	0	6

Source: PGA records, compiled by IFC

APPENDIX VII LIST OF COMPANIES INTERVIEWED

Organization	Category	Contact Person(s)	Telephone	Email	Interview		
					Response Date	Location	Type
Kenya Maritime Authority	Government Agency	Tumaini C. Namoya	+254 724 319344	tnamoya@kma.go.ke	19-Jun-18	Mombasa	Physical
		Jemima Msinga	+254 723 394970	jmsinga@kma.go.ke			Physical
Spedag Interfreight	Clearing Agent	Racheal Njuguna	+254 720 987024	racheal.njuguna@spedaginterfreight.com	19-Jun-18	Mombasa	Physical
W.E.C Lines	Shipping Line	Roger A. Dainty	+254 41 2311071/2	roger.dainty@ke.weclines.com	19-Jun-18	Mombasa	Physical
Urgent Cargo	Clearing Agent	Humphrey Ashubwe	+254 723 613658	humphrey@urgentcargo.com	18-Jun-18	Mombasa	Physical
Express Shipping & Logistics (EA) Limited	Shipping Agent	Silvester M. Kututa	+254 41 2229784/6	silvester@esl-eastafrika.com	19-Jun-18	Mombasa	Physical
Freightwell Express Limited	Clearing Agent	Joseph Matheka	+254 724 615003	joseph.matheka@freightwell.com	19-Jun-18	Mombasa	Physical
Bollere Logistics	Clearing Agent	Johnson Muturi	+254 723 534833 +254 737 532226	johnson.muturi@bollere.com	20-Jun-18	Mombasa	Physical
Martime Freight Company Limited	Clearing Agent	PJ Shah		-	20-Jun-18	Mombasa	Physical
Oceanstar General Agency Limited	Clearing Agent	Ayub Ochieng Boaz	+254 725 054004	info@oceanstargal.com	18-Jun-18	Mombasa	Physical
Veterinary Medicines Directorate	Government Agency	Dr. Naphtal Mwanziki	+254 722 309711	mwanziki@gmail.com	22-Jun-18	Nairobi	Physical
AFA - Sugar Directorate	Government Agency	Lydia Chacha	+254 724 035175	lchacha@kenyasugar.co.ke	21-Jun-18	Nairobi	Telephone
Conventional Cargo Conveyors Limited	Clearing Agent	Geoffrey Mbai	+254 725 200008	info@conventionalcargo.co.ke	25-Jun-18	Nairobi	Questionnaire
National Environment Management Agency	Government Agency	Selelah Okoth	+254 20 6001945	sokoth@nema.go.ke	6-Jul-18	Nairobi	Questionnaire

Organization	Category	Contact Person(s)	Telephone	Email	Interview		
					Response Date	Location	Type
Oceanfreight (EA) Limited	Shipping Line	Ali Nanjira	+254 706 114147	ali.nanjira@msc.com	28-Jun-18	Mombasa	Questionnaire
State Department of Fisheries	Government Agency	Benrick Ogutu	+254 722 279063	benrickogutu@gmail.com	27-Jun-18	Mombasa	Questionnaire
Kenya Plant Health Inspectorate Service	Government Agency	James Aboge	+254 720 036905	jaboge@kephis.org	2-Jul-18	Nairobi	Questionnaire
National Biosafety Authority	Government Agency	Martin Bundi	+254 725 120386	mbundi@biosafetykenya.go.ke	26-Jun-18	Nairobi	Physical
Bayer East Africa Limited	Trader	Cecilia Matheka	+254 702 949902	cecilia.matheka@bayer.com	2-Jul-18	Nairobi	Questionnaire
AFA - Coffee Directorate	Government Agency	Paul Okewa	+254 20 3342717	coffeedirectorate@yahoo.com	3-Jul-18	Nairobi	Questionnaire
Mumbi Coffee Limited	Trader	Michael Murungi	+254 743 144375	trading@mumbicoffee.com	2-Jul-18	Nairobi	Questionnaire
AFA - Fibre Crops Directorate	Government Agency	Interim Senior Officer - Regulation and Compliance	+254 20 2339830	info@cottondevelopment.co.ke	11-Jul-18	Nairobi	Questionnaire
Kenya Radiation Protection Board	Government Agency	Edward Mayaka	+254 20 2689254	rpbkenya@nbnet.co.ke	10-Jul-18	Nairobi	Questionnaire
AFA Nuts and Oil Crops Directorate	Government Agency	Vincent Chirchir	+254 721 386052	vincent.chirchir@yahoo.com	4-Jul-18	Nairobi	Questionnaire
Del Monte Kenya Limited	Trader	Jane Thiong'o	+254 20 2141600	Jthiong'o@FreshDelmonte.com	2-Jul-18	Thika	Questionnaire
AFA Horticultural Crops Directorate	Government Agency	Hosea K. Boswony	+254 724 893298	chachahosea@yahoo.com	29-May-18	Nairobi	Telephone
Port Health Services	Government Agency	Douglas Nasio Ambenje	+254 720 383312	dnasio9@gmail.com	4-Jun-18	Nairobi	Telephone

APPENDIX VIII EASE OF DOING BUSINESS DATA

Trade Documents Required

Below is a list of documents presented as mandatory for clearance of goods as per the Doing Business case study if imported into or exported out of Kenya in 2011 and 2018. Fees paid to KPA for handling cargo.

Documents to Import DB 2011	Documents to Import DB 2018
1. Bill of lading	1. Bill of lading
2. Certificate of origin (COMESA) ¹²	2. Declaration of Customs Value (F – C52) ¹³
3. Customs import declaration	3. Commercial invoice
4. Commercial Invoice	4. Packing List
5. Inspection report	5. Terminal handling receipts
6. Packing List	6. Cargo release order ¹⁴
7. Terminal Handling receipts	7. Pre-Import Verification of Conformity (PVoC)
	8. Import Declaration Form (IDF) ¹⁵
	9. Proof of payment of Customs duties ¹⁶
	10. SOLAS certificate ¹⁷
Documents to Export - DB2011	Documents to Export - DB2018
1. Bill of lading	1. Bill of lading
2. Cargo delivery order	2. Certificate of origin
3. Certificate of origin	3. Export declaration
4. Customs export declaration	4. Commercial invoice
5. Commercial Invoice	5. Packing list
6. Inspection report	6. Release Order
7. Packing List	7. Exit note
8. Terminal Handling receipts	8. Certificate of export ¹⁸

Source (DB2011 and DB2018)

¹² This is only required if goods are moving from one COMESA country to another COMESA country

¹³ For C52 is called up when there is a dispute in customs values declaration. Form C52 provides for certification of commercial invoices, sale contracts/Agreement, letters of credit or any other documents against which payment was made, in support of a declaration on a perfect Import Entry.

¹⁴ Cargo Release Order (Delivery Order) is issued by the shipping line to importer and presented to Kenya Ports Authority to enable cargo release. Currently it is delivered to KPA in paper form or EDI.

¹⁵ The IDF is the only document that does not appear to be necessary; The Revenue Authority is warming up to this fact and have removed the payment that went with it. The new Customs System ICMS, will probably do away with this document

¹⁶ Payment of duties and taxes is automated. Payments are made against customs declaration numbers. This means that the bank only receives payments when the declaration details pop up in their systems requesting payment of the payable amounts. KRA officer is able to see when payment of an entry is made.

¹⁷ International Convention for the Safety of Life at Sea (SOLAS) is an international maritime treaty which sets minimum safety standards in the construction, equipment and operation of merchant ships. The certificate is issued to the vessel in accordance with the SOLAS Convention and not a requirement for individual clearance of cargo.

¹⁸ Certificate of export is not a document, it is an action, in the system to confirm goods have been exported

APPENDIX IX KENYA TRADE VALUES

Kenya Exports and Imports with the World

	Trade Value US\$ '000				
	2013	2014	2015	2016	2017
Imports	27,616,494	31,676,528	27,971,052	24,741,577	29,855,157
Exports	11,430,096	12,736,355	12,034,296	11,561,599	11,345,387
Trade	39,046,590	44,412,883	40,005,348	36,303,176	41,200,544

Source: KAM study on the implication and impact of tariff liberalization between East African Community and South African Customs Union on Kenya 31.05.2018



Kenya's trade flow (US\$ '000) by region

Partner	Imports					Exports				
	2013	2014	2015	2016	2017	2013	2014	2015	2016	2017
World	16,394,469	18,386,137	16,062,423	14,113,751	16,690,015	5,536,953	6,111,949	5,906,853	5,697,562	5,746,974
EAC	334,534	415,087	411,520	324,478	589,731	1,285,408	1,431,416	1,287,734	1,199,462	1,110,842
COMESA	660,506	670,466	681,298	681,033	1,094,033	1,489,085	1,637,109	1,586,059	1,464,223	1,381,063
EU	2,395,902	2,563,718	2,371,777	2,096,926	1,998,362	1,214,662	1,366,875	1,287,121	1,197,548	1,217,856
SACU	886,764	791,974	698,173	555,256	708,006	39,176	78,543	50,994	43,747	31,567
SADC	1,142,687	1,115,747	985,578	823,856	1,105,202	832,169	977,270	741,024	708,934	598,599
China	2,117,409	2,819,063	3,260,723	3,326,482	3,777,573	48,737	75,105	86,666	99,184	96,739
USA	667,463	1,913,383	1,278,723	473,504	556,793	347,270	435,124	413,311	427,399	457,182
Middle East	3,016,760	3,000,953	2,220,837	2,346,291	3,335,442	636,636	622,964	674,534	723,540	704,565

APPENDIX X

COST REDUCTION CALCULATION METHODOLOGY

Total Estimated Cost Savings (USD)

$$= \{ \text{Total Photocopying Savings} + \text{Total Document Preparation Savings} + \text{Total Travel Cost Saving} + \text{Total Travel Time Savings} + \text{Total Facilitation Costs Savings} \} / \text{USDXrate}$$

Where:

Total Photocopying Savings

$$= \sum_{i=1}^n \sum_{j=1}^m \{ \text{No. of pages reduction per transaction per procedure} \\ \times \text{No. of copies made by trader per transaction per procedure} \\ \times \text{Min no. of set per transaction per procedure} \times \text{Price of photocopy per page} \\ \times \text{No. of transactions per procedure} \}$$

Total Document Preparation Savings

$$= \sum_{i=1}^n \sum_{j=1}^m \{ \text{No. of hours saved per procedure} \times \text{Avg. cost of employee (KES per hour)} \}$$

Where:

$$\begin{aligned} &\text{No. of hours saved per procedure} \\ &= \text{No. of transactions per procedure} \\ &\times \text{Est. avg. time reduction in document preparation per transaction per procedure} \end{aligned}$$

$$\begin{aligned} &\text{Avg. cost of employee (KES per hour)} \\ &= \text{Avg. minimum hourly wage for a general clerk in Nairobi between Jan 2014 and June 2018} \end{aligned}$$

Total Travel Cost Savings

$$= \sum_{i=1}^n \sum_{j=1}^m \{ \text{No. of trips reduction per transaction per procedure} \\ \times \text{Avg. cost of travel within Nairobi} \times \text{No. of transactions per procedure} \}$$

Total Travel Time Savings

$$= \sum_{i=1}^n \sum_{j=1}^m \{ \text{No. of trips reduction per transaction per procedure} \\ \times \text{Est. avg. time reduction per trip per transaction per procedure} \\ \times \text{No. of transactions per procedure} \}$$

Total Facilitation Cost Savings

$$= \sum_{i=1}^n \sum_{j=1}^m \{ \text{Facilitation cost saving per transaction per procedure} \\ \times \text{No. of transactions per procedure} \}$$

and,

n = no. of PGAs

m = no. of procedures per PGA

APPENDIX XI

STUDY METHODOLOGY

The study was conducted/primary data collected through (i) face to face interviews with representatives of stakeholders (clearing agents, PGAs, Traders (importers/exporters), (ii) administration of questionnaire to stakeholders, (iii) analysis of data downloaded from the Kenya TradeNet System for the period up to 30th June, 2018, and (iv) desktop survey using secondary data from PGA Business Process Mapping reports.