



MOMBASA PORT COMMUNITY
CHARTER

ADVANCING TRADE THROUGH
THE NORTHERN CORRIDOR



An aid for trade initiative to support international seaborne trade through the Mombasa Port Corridor for regional economic growth and prosperity

PREAMBLE

This Mombasa Port Community Charter (the “Charter”) proclaims the desire of the Mombasa Port Community to realise the full trade potential of the Mombasa Port Corridor. It represents the culmination of intense and extensive consultations among all stakeholders; government agencies, business, civil society organizations, the Coastal Community and special interest groups in Kenya.

While the parties included in the Mombasa Port Community form the core team tasked with executing the initiatives proposed in the Charter, all stakeholders are obligated to pursue and encourage the realization of the trade potential of the Mombasa Port Corridor. This is the intent of this Charter.

We are especially grateful to H.E. Uhuru Kenyatta, President and Commander in Chief of the Defence Forces of the Republic of Kenya, as well as H.E. William Ruto, Deputy President of the Republic of Kenya, for finding time from their busy schedules to launch the Mombasa Port Corridor Community Charter in addition to their previous engagement with some key stakeholders on this matter.

The Port Community is grateful for valuable contributions from different stakeholders and the leadership of the Cabinet Secretaries for Transport & Infrastructure; National Treasury; Industrialisation & Enterprise Development; and East African Affairs, Commerce & Tourism. It also acknowledges the Cabinet Sub-Committee for Trade Facilitation on the Northern Corridor. The same applies to the Mombasa County Government as well as the Mombasa Port Efficiency Platform comprising business and civil society organisations.

The Port Community is grateful for the valuable contribution provided by Trademark East Africa (TMEA) in supporting the initiatives to improve operational efficiency at the Port, and for facilitating the various fora that brought together the members of the Port Community in founding this Charter. The Port Community has restated operational and policy challenges that obstruct efficient Corridor operations and require strategic interventions by the Government of the Republic of Kenya (GoK).

The Port Community is grateful to the 10-man committee led by heads of the following institutions: Shippers Council of Eastern Africa (SCEA), Kenya Ports Authority (KPA), Kenya Revenue Authority (KRA), Kenya National Chambers of Commerce and Industry (KNCCI), Kenya National Trade Agency (KENTRADE), Kenya Bureau of Standards (KEBS), Kenya National Highway Authority (KeNHA), Kenya International Freight and Warehousing Association (KIFWA), Kenya Association of Manufacturers (KAM) and TradeMark East Africa (TMEA).

FOREWORD

BY PRESIDENT UHURU KENYATTA

Republic of Kenya



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FOREWORD

BY DR. CHRIS.K.KIPTOO

TradeMark East Africa Country Director Kenya



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ABBREVIATIONS

AROS	African Regional Organisation for Standardisation
C&F	Clearing and Forwarding
CFS	Container Freight Station
CFSA	Container Freight Stations Association
CSD	Customs Services Department
DVS	Department of Veterinary Services
EAC	East African Community
EATTA	East African Tea Trade Association
GoK	Government of Kenya
HCDA	Horticultural Crops Development Authority
HSWIM	High Speed Weigh In Motion
IDF	Import Declaration Form
IEC	International Electrochemical Commission
ISO	International Standards Organization
IT	Information Technology
ISCOS	Inter-governmental Standing Committee On Shipping
K.R.As	Key Result Areas
KAM	Kenya Association of Manufacturers
KEBS	Kenya Bureau of Standards
KeNHA	Kenya National Highways Authority
KENTRADE	Kenya Trade Network Agency
KEPHIS	Kenya Plant Health Inspectorate Service
KEPSA	Kenya Private Sector Alliance
KIFWA	Kenya International Freight and Warehousing Association
KMA	Kenya Maritime Authority
KNCCI	Kenya National Chamber of Commerce and Industry
KNESWS	Kenya National Electronic Single Window System
KNPS	Kenya National Police Service
KOT	Kipevu Oil Terminal

KPA	Kenya Ports Authority
KPC	Kenya Pipeline Company
KPI	Key Performance Indicator
KRA	Kenya Revenue Authority
KRC	Kenya Railways Corporation
KSAA	Kenya Ships Agents Association
KTA	Kenya Transporters Association
KWATOS	Kilindini Waterfront Automated Terminal Operations System
LPG	Liquefied Petroleum Gas
MT	Metric Tonnes
NC-TTCA	Northern Corridor Transit Transport Co-ordination Authority
NTSA	National Transport and Safety Authority
OGAs	Other Governmental Agencies
PG	Payment Gateway
PHD	Port Health Department
PI	Prohibited Immigrants
PPB	Pharmacy and Poisons Board
PVoC	Pre-Export Verification of Conformity
Roro	Roll-on Roll-off
RPB	Radiation Protection Board
RVR	Rift Valley Railways
SCEA	Shippers Council of Eastern Africa
SLA	Service Level Agreement
SWT	Ship Waiting Time
TBK	Tea Board of Kenya
TEU	Twenty-foot Equivalent Units
TMEA	TradeMark East Africa
TSA	Transport and Storage Agreement



This Charter, developed by the public and private sector members of the Mombasa Port Community, expresses our commitment to discarding the 'silo mentality' work culture in which agencies have operated for so long. We further commit to embracing the digital age that will bind us together in facilitating trade through the Mombasa Port Corridor for national and regional economic growth and prosperity.

The Port of Mombasa is the gateway to Kenya, Uganda, Rwanda, Burundi, South Sudan, Northern Tanzania, eastern Democratic Republic of Congo and Ethiopia (see Figure 1 on page 9.). The hinterland region served by the Port of Mombasa is the second-fastest growing region in the world economically. However, this is also the second

most expensive region in which to do business. With thirty three shipping lines calling at the port, it provides connectivity to over eighty sea ports worldwide.

The past five years have seen Mombasa Port traffic throughput grow by 7.5% per annum from a total of 16.4 million tonnes in 2008 to 21.9 million tonnes in 2012. The most significant growth was in containerized traffic, which grew by over 10% as seen below. At today's throughput, port utilization is saturated at over 90% of full capacity. This is an unsustainable trend.

1.0 INTRODUCTION

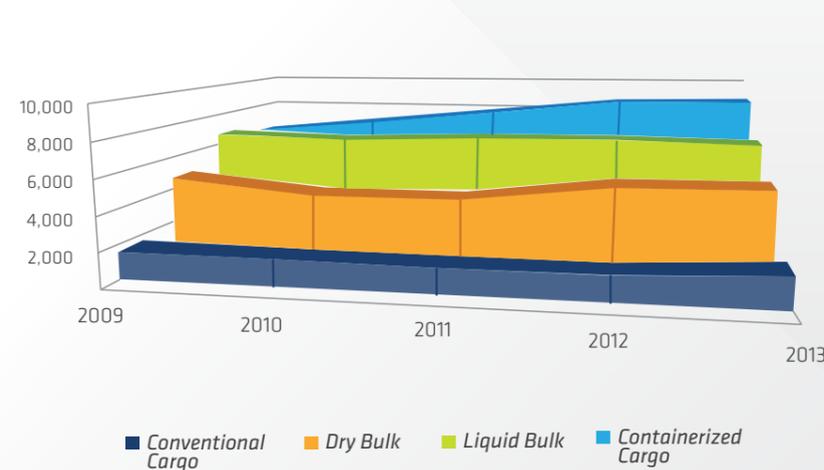


Figure 1: The Northern Corridor in East Africa



Figure 2: Cargo Profile

Cargo Profile: 2009 - 2013

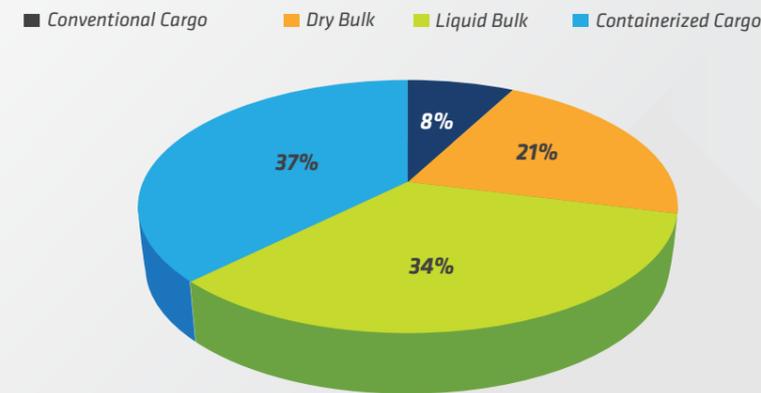


Source: Kenya Ports Authority (KPA)

The growth witnessed in containerized cargo has seen this segment rise to 37% of traffic with berth occupancy.

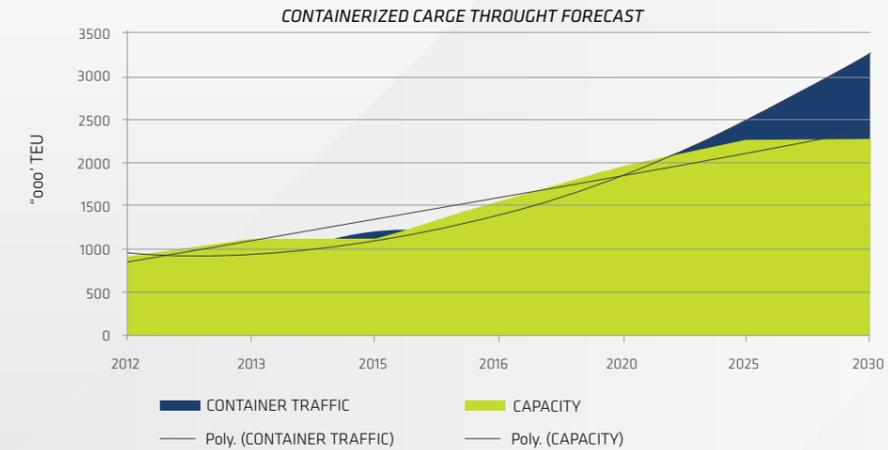
Figure 3: Cargo Composition

Cargo Composition in Percentage (2008 - 2012)



Source: KPA

Figure 4: Forecast of Containerized Cargo Throughput



Source: KPA

Port throughput is forecast to be in the region of 44 million tonnes by 2025. Twenty-foot equivalent units (TEU) containers will increase from 903,000 TEU in 2012 to 2.5 million TEU in 2025. This means the impressive ongoing capacity expansion by KPA in the Port of Mombasa will be saturated as soon as it comes on stream. In order to promote efficiency, measures need to be taken that will result in profitable utilization of resources and free up wasted capacity currently locked up by inefficient practices.



2.0 CONSTRAINTS TO TRADE FACILITATION

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. These constraints include:

- The lack of alignment among Port Community members in discharging their mandates in trade facilitation;
- Insufficient capacity and ineffective operational models at both the Port terminal and hinterland transport channels;
- 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;
- Insecurity and time-consuming non-tariff barriers along the Corridor;
- 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;
- The frequent changes in leadership of the Kenya Ports Authority (KPA) due to political considerations. Stakeholders have also observed a lack of sectorial representation of maritime transport sector professionals on the board of KPA. As a consequence, consistency in strategic direction has suffered, and investments in port equipment and infrastructure to handle growth in traffic lag far behind demand; and,
- Lack of alignment of enabling legislation to facilitate trade.

Past attempts to address some of the challenges that the Mombasa Port has experienced over the past four decades have focused on KPA as an institution and wrongly excluded the multiplicity of statutory bodies, as well as private sector players who are an integral part of trade facilitation. This anomaly explains the absence of a culture of continuous improvement and introduction of the very best industry practices.

The Port Community is concerned that large new investments at the Port of Mombasa to improve infrastructure, build capacity, improve service delivery, increase cargo throughput and enhance labour productivity and operational efficiency will not yield the desired results in national and regional economic growth unless the Port Community unites to address the challenges facing trade facilitation.



3.0 PURPOSE OF THE CHARTER

The purpose of this Charter is to:

- a. Establish a permanent framework of collaboration that binds the Port Community to specific actions, collective obligations, targets and time lines;
- b. Complement the individual institutional service charters by way of adoption where appropriate, in a holistic approach along the Mombasa Corridor;
- c. Introduce, educate and publicize to cargo owners, traders, labour unions, civil society and the general public the best industry practices and guiding

principles, and inculcate acceptable behaviour by all citizens participating in international trade; and,

- d. Develop and implement a self-monitoring mechanism to ensure implementation of collective community obligations. The senior managers of the participating Port Community entities shall voluntarily submit themselves to sanctions for breach of any of the collective obligations.

4.0 THE MOMBASA PORT CORRIDOR REFORM PROGRAMME GOALS

To accelerate the realization of the potential of the Mombasa Corridor and spur the region's economic growth, the Port Community has set ambitious goals that

MUST be achieved to create the requisite momentum. These cut across the entire logistics continuum appearing in Table 1 below:

Table 1: The Mombasa Port Corridor Reform Programme Goals

Logistics Service	Charter Target	Benchmarks
	Transform Mombasa Port into a high performing landlord port by 2016	Rotterdam Port, Netherlands
	Achieve an average of 120,000 km per truck per annum by December 2016	World class Standard (150,000kms/truck/year)
	Grow cargo offtake by rail to above 35% of throughput by December 2018	Durban-Jo'burg Corridor, South Africa
	Achieve 70% cargo throughput through the green channel	Port of Felixstowe, United Kingdom
	Paperless cargo clearance by integrating community systems into the KNESWS by December 2014	Singapore Port, Singapore
	Increase liquid bulk holding capacity to 11,000,000 MT by December 2015	Rotterdam Port, Netherlands



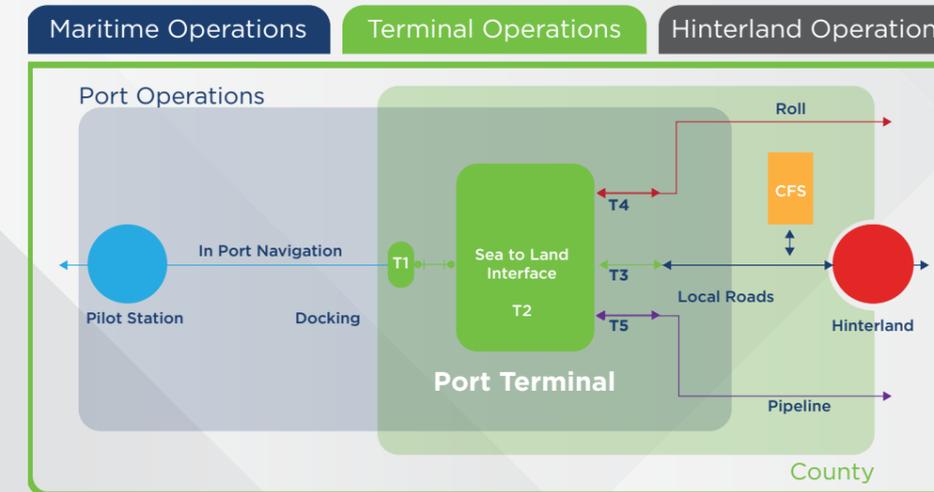
As a Port Community, we shall seek to benchmark against the most successful trade channels in the world. Securing the above wins will go a long way towards ensuring the Mombasa Corridor realizes the intended status of a world class trade route.

The Port Community has identified four distinct but interdependent pillars and eight **overlapping Key Result Areas** (hereafter referred to as **K.R.As**) as critical to achieving these goals:

4.1. Pillar ONE: Fit for Purpose Logistical and Transport Infrastructure

This pillar is based on the fact that physical infrastructure and capacity to handle maritime operations, terminal operations and hinterland operations must be developed in concert to facilitate a smooth flow of freight. Without this end-to-end perspective, partial infrastructural developments will not yield good results.

Figure 5: Flow of Cargo through the Port



T1: Vessel Productivity
 T2: Terminal Planning & Management
 T3: Yard/Stock to Road Performance
 T4: Yard/Stock to Roll Performance
 T5: Pipeline Pumping Performance
 CFS: Container Freight Stations

4.1.1. K.R.A 1: Transform Mombasa Port into a high-performance landlord port

Mombasa Port is still very much a public service port, a model largely used at the start of the 20th century. Transforming it into a landlord port will not only create room for specialized service providers, but also enable KPA to focus on infrastructural adjustments and long-term developments, which will result in enhanced capacity to handle the projected growth in cargo throughput.

4.1.2. K.R.A 2: Proportionately grow the capacity of hinterland channels

Cargo leaves the port through the three main channels; road, rail and pipeline. In view of the forecast volumes, there is an urgent need for the responsible Port Community bodies (namely KeNHA, KRC and KPC) to expand the capacity of these channels to remove the bottlenecks that are currently causing costly delays. KRC specifically needs to move quickly to ease pressure on the roads.

4.2. Pillar TWO: 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. The need to go digital on a 24-hour basis cannot be overemphasized.

4.2.1. K.R.A 3: Actualize paperless trading through the single window system

The Kenya Electronic Single Window System (Kenya TradeNet) will allow parties involved in the trade and transport sector to lodge standardized information and documents at a single entry point, to fulfil all import, export and transit-related regulatory requirements.

4.2.2. K.R.A 4: Reduce cycle-times through speed and a 24/7 work economy

To facilitate faster, more profitable growth, all Port Community Members must take the necessary steps to shorten lead-times and ensure quick turnaround of assets. In this regard, all Port Community members will be required to institute measures to ensure services delivery is carried out on 24/7 basis.

4.3. Pillar THREE: Synergistic and Collaborative Port Community

This pillar is based on the premise that, ultimately, it is the people who make the system work or fail. It takes into account the demonstration of leadership within the larger Port Community structure, work culture, teamwork as well as expected alignment. Unless all strategy formulating heads within the community see and pursue the same big picture, the Mombasa Corridor and indeed all those working within its ambit will continue to operate under par.

4.3.1. K.R.A 5: Drive planned initiatives through stakeholders' executive leadership

This key result area seeks to ensure that there is ownership and follow-through by the top leadership of all Port Community members in realizing expected results.

4.3.2. K.R.A 6: Ethical and professional business practice

It has been repeatedly observed that corruption and malpractices have necessitated lengthy government interventions. Doing business in Mombasa Port and Corridor is slow and costly. This will only change if all stakeholders play by the rules and seek the common good of the region through authentic self-regulation.

this situation also erodes the very purpose for which these agencies were established. The gaps witnessed in governance aspects can only be closed through appropriate legislation.

4.4.1. K.R.A 7: Streamline the regulatory and oversight bodies' roles throughout the corridor

Document verification by the different government agencies ought to be aligned to the general plan to promote ease of doing business in the region. The planned Single Window System will require that the concerned parties reach a working consensus.

4.4.2. K.R.A 8: Review and enactment of enabling legislation

Given that times have changed since some state agencies were created and with them the business world, there is a need to revise existing or creating new legislation to strengthen some critical functions that will translate into the success of this Charter.

4.4. Pillar FOUR: Facilitative Regulation and Oversight Engagement

This pillar is based on the fact that there are several statutory bodies mandated to carry out regulatory, oversight and/or monitoring functions at different stages of the trade process. Some of these agencies' roles overlap, reverse or disregard one other. Apart from creating confusion and slowing down trade,



5.0 ANCHOR MEMBERS OF THE PORT COMMUNITY

The Anchor Members of the Port Community who have signed this founding Charter shall undertake their specific obligations within it. Where applicable, the obligations shall appear under each member's name. It is noted, for avoidance of doubt, that each member or entity continues its allegiance to its own legal instruments and structures, through which each member shall procure to provide legitimacy to this Charter.

increase the performance over a 24-hour period from the current average of 20 moves per hour in 2013 to 30 moves per hour i.e. 900 moves per 24 hours within 90 days of signing this Charter.

5.1. Public Sector Institutions

5.1.1. Kenya Ports Authority (KPA)

KPA is a statutory body under the Ministry of Transport established by an Act of Parliament on 20th January 1978. The Authority is responsible for the operation and management of the Port of Mombasa, other small seaports, and Inland Container Depots in Nairobi and Kisumu. Liaison offices in Kampala and Kigali cater for all transit countries. Its mandate is to maintain, operate, improve and regulate all scheduled seaports along Kenya's coastline.

The Key Performance Indicators (KPIs) for KPA for the purpose of this Charter shall cover four elements:

5.1.1.1. Cargo Dwell Time

The average cargo dwell time is about 6 days, an improvement from 10 days in 2008. KPA shall take measures to reduce this to strictly **48 hours within 120 days of signing the Port Community Charter**. This shall be done by a combination of collective actions by the Port Community. The actions will include KPA and other stakeholders taking the necessary action of providing the infrastructure, a yard standing and suitable warehouse for:

- i. CSD stripping and verification of containerized cargo;
- ii. CSD holding containers under Customs warehouse and auction functions.

5.1.1.2. Vessels Productivity (Gross Moves per Hour)

The average Gross Moves at the Port of Mombasa for the various types of cargo handled were 17.45(per hour) in 2012. Table 2 below gives the average moves per hour disaggregated by ship type for the year 2012. KPA shall implement the necessary measures to

Table 2: Vessel Performance at Mombasa Container Terminal: 2012

	NO. OF SHIPS	TOTAL		PERFORMANCE/ 24HR	Moves per hour
		MOVES	TEU	GROSS	
January	15	17,794	23,490	268.2	11.18
February	16	21,441	28,275	352.8	14.70
March	12	26,453	33,761	443.5	18.48
April	14	23,157	29,418	393.0	16.38
May	13	22,579	29,588	408.8	17.03
June	14	23,910	30,599	450.6	18.78
July	16	24,453	31,925	399.4	16.64
August	18	26,860	34,151	396.0	16.50
September	16	26,133	34,969	505.8	21.08
October	22	32,937	44,202	547.0	22.79
November	20	27,360	36,145	481.4	20.06
December	21	27,200	35,695	416.8	17.37
TOTAL/AVERAGE	197	300277	392218	418.8	17.45

Source : KPA

5.1.1.3. Ship Waiting Time (SWT)

The average Ship Waiting Time before berth allocation was 0.34 days in 2012. Table 3 below gives the Ship Waiting Time (SWT) over the past 5 years (2008-2012). KPA shall implement measures to ensure that there is zero ship waiting time for containerised cargo by 31st December 2014.

Table 3: Ship Waiting Time (SWT) for the Period 2009-13

	GROSS WAITING TIME				
	2009	2010	2011	2012	2013
January	0.59	0.31	0.74	1.37	0.88
February	0.18	0.36	0.72	1.37	0.81
March	0.3	0.31	0.89	1.48	0.64
April	0.39	0.35	0.84	1.2	0.62
May	0.21	0.45	0.91	0.88	0.87
June	0.16	0.9	0.92	0.83	0.29
July	0.26	0.73	0.83	0.71	0.34
August	0.11	0.61	1.11	0.6	0.94
September	0.08	0.53	1.61	0.99	0.39
October	0.19	0.32	1.31	1.45	0.55
November	0.08	0.66	1.43	0.75	0.36
December	0.24	0.51	1.83	0.63	0.64
AVERAGE	0.23	0.5	0.5	0.34	0.31

5.1.1.4. Vessel Turnaround

Table 4 below gives the annual number of ships by cargo type, the average port days over the past five years and the set target that the KPA management will work towards achieving month-on-month by 31st December 2014.

5.1.1.5. Integration with Kenya Electronic Single Window System

KPA will integrate its electronic system with the Kenya TradeNet by 31st December 2014.

5.1.1.6. Infrastructure/Strategic Developments

To realize the goal of converting the Mombasa Port into a landlord port, KPA is undertaking the following initiatives:

- a. Conversion of berth nos. 11-14 to a Container Handling Terminal. This will provide an additional estimated handling capacity of 600,000 TEUs per annum;

Table 4: Vessel turn around

Ship Type	2009		2010		2011		2012		2013		Target
	Ships	Avg. Port Days									
Container	509	3.1	500	4.4	504	4.7	431	4.4	500	3.5	3
Roro	77	1.9	59	2.1	50	2	50	2.4	44	1.7	2
General Cargo	292	5.2	238	4.9	306	5.5	326	5.1	343	4.5	4
Bulk	183	5.5	140	5.3	147	5.9	179	5.3	202	5.0	3
Car Carrier	151	0.8	144	1	139	1	143	1.2	145	1.2	1
Tanker	259	3.7	220	3.9	215	4.7	193	4.6	194	3.7	4
Total	1471	3.62	1301	4.04	1361	4.54	1322	4.30	1427	3.7	

- b. Revitalization of the Kisumu and Nairobi Inland Container Depots. This is a medium term intervention aimed at reversing the prevailing loss making situation at the two facilities;
- c. Maintenance and repair of KPA-owned floating crafts. In this regard, all dockyard facilities involving slipways, workshops and offices will be concessioned out through a competitive bidding process;
- d. KPA shall pursue corporatization of the Mombasa Container Terminal as the preferred strategic option due to the investments so far undertaken coupled with the pivotal role of the terminal both nationally and internationally;
- e. KPA will liaise with the Kenya Pipeline Company and oil industry stakeholders to relocate the Kipevu Oil Jetty and enhance its capacity to receive four vessels at any one time;
- f. KPA will also develop complementary facilities including LPG and Liquid Bulk Storage facilities of up to 11,000,000 MT by 31st December 2016 to service the projected increased output at the proposed new oil terminal and . to increase LPG storage capacity within Mombasa to handle bigger LPG vessels, thus minimizing the frequent gas shortages experienced in the region;
- g. KPA will outsource all stevedoring services to the private sector. The conventional cargo berths will be operated by 'footloose' operators and will extend from stevedoring to shore handling services. This will cover operations in berths 1 – 10.

- h. The specialized berths, wharfs and facilities for handling specific cargo such as soda ash, bulk grain and cement will be handled by the private sector through licensing arrangements.
- i. With the full implementation of the port reforms programme, the landlord KPA will have the following functions:



5.1.2. Kenya Revenue Authority (KRA)

The 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.

The CSD's Key Performance Indicators (KPIs) and obligations shall cover the following elements:

5.1.2.1. Pre-Arrival Clearance

The CSD shall 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.

The new clearance regime shall have provisions for punitive penalties including cancellation of licences for clearing and

forwarding (C&F) agents whose clearance declarations may be found wanting or false. This shall be done through random inspection and verification at importers' premises or at any other stage during the clearance and logistical processes at the complete discretion of the CSD.

5.1.2.2. Conducting Joint Verification

This shall be done in conjunction with other stakeholders. The Customs Service Department will co-ordinate the exercises at Mombasa Port and respective Container Freight Stations (CFSs). All cargo handling institutions will be required to provide adequate equipment to support the physical verification within 90 days of signing the Port Community Charter.

5.1.2.3. Bond Management

In the spirit of this charter, CSD shall immediately initiate a peer review of the current transit bond management system and procedures with a view to automating the whole system, including online real time bond cancellation at the exit border post, by 30th August 2014.

5.1.2.4. Integration of the CSD with Kenya Electronic Single Window System

CSD will integrate its electronic system with the Kenya TradeNet by 31st December 2014.

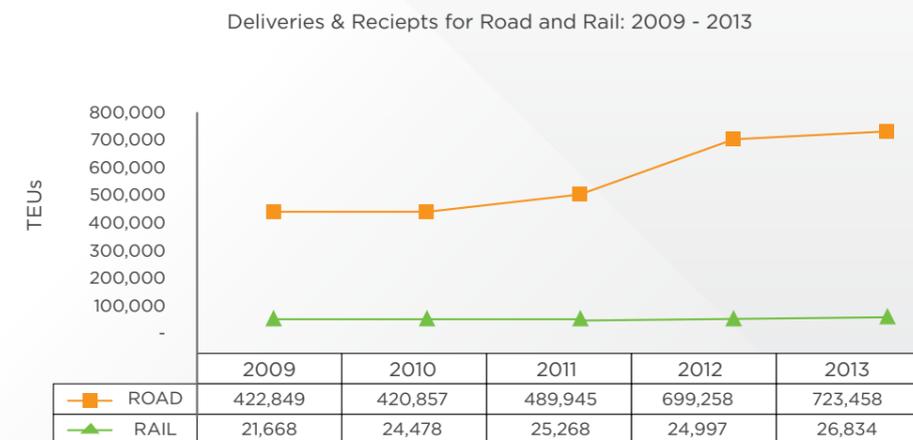
5.1.3. Kenya Railways Corporation (KRC)

This is a state corporation, established to contribute to the development of the country by fostering an efficient, sustainable, competitive, safe and secure rail transport system. Its mandate includes management of the Rift Valley Railways (RVR) concession, management of non-conceded assets, and promotion, facilitation and participation in national and metropolitan railways development.

Cargo offtake

The cargo offtake by the RVR concession as a percentage of the total cargo offtake has been on the decline as shown in Figure 6.

Figure 6: Comparison between Road and Rail Cargo Offtake - Mombasa Port



In view of this, KRC will with the support of the Government construct the first phase of the proposed Standard Gauge Railway from Mombasa to Kigali via Kampala. This phase will be between Nairobi and Mombasa and will cover a distance of 609 km. The ground-breaking exercise took place in November 2013 and construction will be completed by the end of 2018.

KRC shall meanwhile convene a forum in the format of a workshop for the Port Community members to interrogate the performance of RVR, their investment plan and challenges and devise a roadmap to ensure achievement of the Mombasa Port charter rail cargo off-take targets. KRC shall convene this workshop within three months of signing the Port Community Charter.

5.1.4. Kenya National Highways Authority (KeNHA)

Roads are the main mode of transport for cargo inland from the Port, accounting for up to 96% of all transfers. Congestion within the Mombasa County road system creates a great challenge to efficient evacuation of cargo. The parent ministry for KeNHA has identified key interventions to be put in place to address the immediate challenges. These include short and long term measures as follows.

In the short term, KeNHA shall by 31st December 2014:

- Undertake clearance of temporary structures and permanent encroachments on key roads, and reclamation of all land belonging to road corridors;

- Implement zoning regulations to control CFSs and Empty Container Depots (ECDs) and shipping-related equipment, other traffic generators and flow inhibitors on key roads, e.g. Makupa Causeway, Kibarani, Port Reitz Road, Airport Road, and Magongo Road;
- Reconfigure key roads to enhance traffic flow. This entails conversion of the section of road A109 between Jomvu and Changamwe roundabout as a one-way road, reconfiguration of adjoining access roads and streets between these roads to provide turning and accessibility to existing developments;
- Install High Speed Weigh in Motion (HSWIM) systems at Mariakani, Athi River, Gilgil and Webuye. Repeated weighing of trucks will consequently be stopped. Currently, the seven (7) facilities operating as fixed weighbridges on the Mombasa Corridor contribute to massive transit delays;
- KeNHA will with the support of TMEA spearhead the upgrade of the Moi Airport access road and Port Reitz road from a single carriageway into a dual carriageway in order to provide the Kipevu West Container Terminal with a link to the Mombasa - Nairobi road by December 2016, pending the development and completion of the Mombasa Southern Bypass and Kipevu Link road.

KeNHA's long-term road improvement measures in 3-10 years will include:

- Development of the Mombasa Southern Bypass and future connection to Kipevu Container Terminal by 2018;
- Development of Makupa Causeway as an elevated road and upgrading key sections of the Northern Corridor in 10 years;
- Working together with the other Regional Road Authorities to develop a superhighway between Mombasa and Kigali, Rwanda;
- Development of a dual carriageway on the Chagamwe - Miritini section of the Mombasa - Nairobi road by 31st December 2017.

5.1.5. Kenya Pipeline Company (KPC) Limited

The Kenya Pipeline Company (KPC) Limited is a state corporation wholly owned by the Government, incorporated on 6th September 1973 under the Companies Act (CAP 486) of the Laws of Kenya. KPC's core mandate is to construct, operate and maintain a multiproduct pipeline system and related white-oils storage facilities for transportation of refined petroleum products from Mombasa to the hinterland.

Demand for petroleum products in the region has been increasing over

the years as a result of the economic development and growth. As at 2012, petroleum demand in the region was about 6.5 million m³, with about 6.0 million m³ imported through the Port of Mombasa.

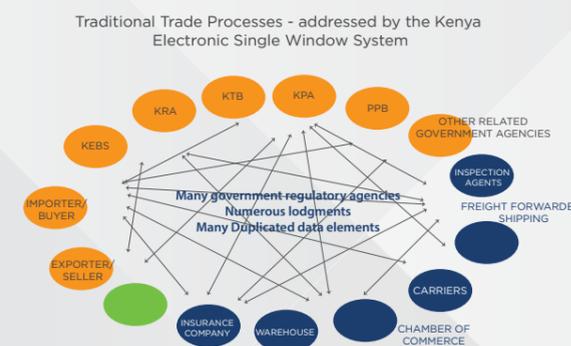
In order to support the attainment of the Mombasa Port Community Charter objectives, KPC shall ensure readiness to receive the product volumes on delivery in line with the Transport and Storage Agreement (TSA) with the oil marketing companies.

It is projected that, by the year 2030, petroleum demand will be about 16 million m³ and about 14 million m³ will be imported through the Port of Mombasa. KPC therefore commits to creating capacity for handling, transporting, storing and transferring the projected volumes.

5.1.6. Kenya Trade Network Agency (KENTRADE)

The Kenya Trade Network Agency (KENTRADE) is a state corporation established by the Government of Kenya in January 2011 to implement, operationalize and manage the Kenya National Electronic Single Window System (Kenya TradeNet) as a trade facilitation tool. The Single Window System has been identified as a solution to lengthy, inefficient and slow manual trade procedures that are prone to corruption and have negatively affected the business environment in Kenya for many years.

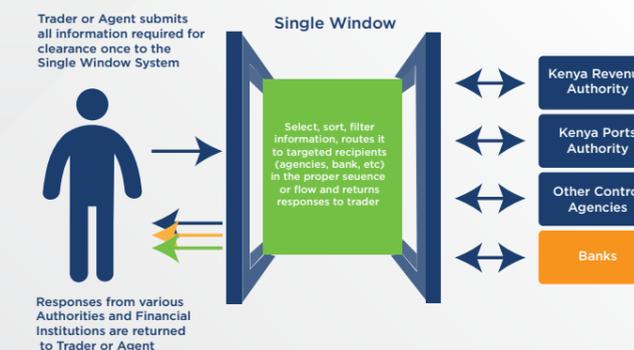
Figure 7 below depicts the current inefficient business process flow in the cargo clearance process.



The Single Window System platform will serve as a single entry point for parties involved in trade and transport to lodge standard

documents electronically for processing and approval by Government agencies/departments. In addition, the system will facilitate electronic payments for fees, levies, duties and taxes due to the Government on goods imported into or exported from the country. This will be done through the integration of the Kenya TradeNet and the Payment Gateway (PG) to provide an end-to-end electronic solution for trade logistics in Kenya.

Figure 8 below depicts the proposed efficient business flow under a Single Window System:



The system will be accessible on a 24-hour basis throughout the week across the country and will integrate/interface the systems of various stakeholders involved in trade logistics such as KRA, KPA and other Government agencies to provide a single electronic entry point for submission of cargo clearance documents.

Kenya TradeNet stakeholders have adopted a phased approach to implement the system as opposed to a big bang. The key milestone in the implementation is the rollout of the National Electronic Single Window System. The rollout included electronic lodgement of pre-clearance documents such as licences, permits, import declaration forms (IDF) and submission of sea and air manifests. The initial rollout involved eight (8) out of twenty four (24) government agencies involved in the cargo clearance process. Kenya TradeNet shall undertake the following measures to ensure the achievement of a paperless electronic cargo clearance system in Kenya:

- Full integration with the National Electronic Payments Gateway

is to be completed by 31st December 2014 subject to the full operationalization of the National Payment Gateway;

- b. Integration with the rest of the Government agencies / departments involved in the cargo clearance process to be concluded by 31st December 2014.

5.1.7. Kenya Maritime Authority (KMA)

KMA was established with a mandate to regulate, co-ordinate and oversee quality, availability and affordable delivery of maritime transport services in the country in line with national standards and international conventions.

KMA's obligations under this Charter are:

- a. Ensure all the Port Community members comply with the established service delivery standards including the recently developed Standards for Maritime Transport Services in Kenya;
- b. Institute a monitoring and evaluation function for the Standards for Maritime Transport Services in Kenya;
- c. Convene and co-ordinate quarterly meetings to review progress and implementation of the Port Community Charter; and,
- d. Coordinate with SCEA to to engine the standing, see the relevant

5.1.8. Kenya National Police Service (KNPS)

The KNPS consists of the Kenya Police Service and the Administration Police Service. KNPS is a national service whose core functions throughout Kenya are protection of life and property, prevention and detection of crime, and maintenance of law and order. Parliament may enact legislation establishing other police services under the supervision of the National Police Service and the command of the Inspector-General of Police.

The obligations of the KNPS under this Charter shall be:

- a. Maintenance of a 24-hour safe and free flow of traffic along the Northern Corridor, major towns, cities and the Kenyan Coast, thus removing non-tariff barriers;
- b. Preparing a security enhancement programme for the Northern Corridor to be submitted and ready for implementation within three months of signing the Port Community Charter.
- c. Work with other stakeholders and with support of TMEA in educating the role of whose

5.1.9.

5.1.9. Kenya Bureau of Standards (KEBS)

KEBS is a statutory organization of the Government of Kenya established in 1974 under the Standards Act, Cap 496 of the Laws of Kenya. Its primary functions are to promote standardization in commerce and industry through the development of standards, quality assurance, inspection, certification and metrology. KEBS is a member of the International Organization for Standardization (ISO), the International Electro-technical Commission (IEC), and the African Regional Organization for Standardization (ARSO).

To ensure products in the marketplace are safe, KEBS operates product certification schemes such as the PVoC programme and Destination Inspection at ports of entry. In compliance with the Charter, KEBS commits to:

- a. Increasing compliance with the PVoC programme to 90%, ensuring regular participation in joint verification exercises and integrating its electronic system with the Kenya Electronic Single Window System;
- b. Providing adequate staff resources at the designated cargo handling institutions in and around Mombasa to ensure 24-hour delivery of duty paid cargo within three months of signing the Port Community Charter.
- c. Developing fully equipped laboratories for testing of samples in Mombasa to obviate the need for transportation of samples to Nairobi for testing within six months of signing the Port Community Charter.

5.1.10. National Transport and Safety Authority (NTSA)

The NTSA is an authority that brings together under one institution the functions of motor vehicle registration, transport licensing and motor vehicle inspection, road safety, driver testing and to some extent traffic law enhancement. The objective of forming the NTSA was to harmonize the operations of the key road transport departments and help in effectively managing the road transport subsector to minimize loss of lives through road traffic accidents. The main functions of the NTSA as outlined in section 4 of the NTSA Act are to:

- a. Advise and make recommendations on matters relating to road transport and safety;
- b. Implement policies relating to road transport and safety;
- c. Plan, manage and regulate the road transport sector in accordance with the provisions of the NTSA Act; and,
- d. Ensure the provision of safe, reliable and efficient road transport services.

In order to facilitate the objectives of this Charter, the NTSA shall undertake the following:

- i. To address the challenges currently experienced in the road transport sector such as proliferation of fake documents, disregard of traffic laws and inefficiency in service delivery;
- ii. To reduce annual fatalities by 50% as well as deal with the challenge of unauthorised and unsafe operations of non-motorized and intermediate means of transport (such as motorcycle taxis or bodaboda).

5.1.11. Kenya Plant Health Inspectorate Service (KEPHIS)

KEPHIS is a statutory body established by the Government of Kenya through Legal Notice No. 305 of 18th October 1996 to oversee quality control of agricultural inputs, plant variety protection and plant health. It has the mandate to protect Kenya's agriculture from pests and diseases that could impact upon the environment, economy and human health.

The objectives of KEPHIS are:

- a. To protect plants from pest, weed and invasive species;
- b. To facilitate the review and strengthening of the policy, legal and regulatory framework so that it is in line with international agricultural development standards;
- c. To contribute towards improved levels of agricultural productivity;
- d. To support compliance with market requirements;
- e. To build technical and infrastructural capacity to facilitate efficient and effective delivery of the KEPHIS mandate; and
- f. To enhance synergies through information and resource sharing with stakeholders and partners.

KEPHIS is required by its statutes to ensure that services are delivered in accordance with national law, regulations and policies. KEPHIS is continuously strives to introduce modern technologies and innovative procedures into its work systems in order to improve service delivery.

In order to support the attainment of the Mombasa Port Community Charter objectives, KEPHIS shall:

- i. Communicate on a decision on inspection results within thirty (30) minutes after inspection and process requests for phytosanitary certificates within thirty (30) minutes for approved exports;

- ii. Ensure that its officers are on duty on 24/7 basis at the Port of Mombasa and the various Container Freight Stations to ensure delivery of cleared cargo takes place on a 24/7 basis;
- iii. Integrate its electronic system with the Kenya Electronic Single Window System by December 2014.

5.1.12. Port Health Department (PHD)

The PHD is a department of the Ministry of Health responsible for the enforcement of the Port Health Act (CAP 242 of the Laws of Kenya), Food, Drugs and Chemical Substances Act (CAP 254 of the Laws of Kenya). The department's core mandate relates to promoting, securing and maintaining the health of the public both locally and internationally through prevention and control strategies. This is achieved through ensuring:

- a. Consumer and non-consumer products (food, drugs, chemicals, cosmetics, used clothing) are verified, inspected, tested and released to the public only if they comply with health and safety standards as stipulated in the subject Acts;
- b. All vessels coming to the country are inspected and the crews and passengers are screened to prevent the introduction of communicable diseases into the country;
- c. Maintenance of health and safety of the environment through improved sanitation and good hygiene practices at the country's ports.

The PHD works closely with the Radiation Protection Board (RPB) in executing its mandate.

In order to facilitate the attainment of the Charter, the PHD and RPB shall commit to the following:

- i. Ensure that goods stopped for checks are cleared within 12 hours of lodgement of documents;
- ii. Embrace online clearance processes for clearance of cargo by 31st December 2014;
- iii. Integrate their electronic system with the Kenya Electronic Single Window System by 31st December 2014.

5.1.13. Kenya Radiation Protection Board (KRPB)

The Kenya Radiation Protection Board (KRPB) is a department of the Ministry of Health established under CAP 243 of the Laws of Kenya. The RPB is the only Government agency responsible for the safety of

persons and the environment from exposure to the harmful ionizing radiation and the security of radiological and nuclear materials both under and out of regulatory control.

The board issues licences for import/export of radiological and nuclear items, and issues radiation-free certificates for consumable goods including items coming in from radiological or nuclear contaminated areas of the world. KRPB shall require that all import/export containerized cargo be passed through the radiation portal monitors at the Port of Mombasa before shipping.

In order to support the attainment of the Mombasa Port Community Charter objectives, the RPB board commits to the following:

- a. Initial testing of products or goods shall take not more than 20 minutes either in the laboratory or at site. This means that, within less than 12 hours, goods will have been cleared. However, if further confirmatory or quantitative testing is required depending on the results from the initial testing, a further period of up to 48 hours or more may be needed, depending on individual cases;
- b. Importers and exporters will be encouraged to seek 'radiation-free' certificates from KRPB pre-approved service providers either locally or abroad. KRPB will sensitise shippers to this option;
- c. KRPB will make arrangements to embrace online clearance processes for clearance of cargo by 31st December 2014;
- d. KRPB will integrate its electronic system with the Kenya Electronic Single Window System by 31st December 2014.

5.1.14. Special Interest Partners

Their main role is to provide technical and financial support to ensure the goals outlined in this Charter are achieved. They are:

5.1.14.1. The Northern Corridor Transit Transport Co-ordination Authority (NC-TTCA)

NC-TTCA) was established under the legal framework of the Northern Corridor Transit and Transport Agreement (NCTTA) to co-ordinate implementation of the agreement among the member states and to carry out decisions and resolutions reached by policy organs of the Authority. The Agreement mandates NC-TTCA to promote co-operative transport policies and foster an efficient and cost-effective transit and transport system within the Corridor.

In order to support the attainment of the Mombasa Port Community Charter objectives, the NC- TTCA in conjunction with KMA commits to;

- a. Hosting the Northern Corridor Performance Dashboard;
- b. Providing technical support for the Northern Corridor Performance Dashboard as part of the Monitoring and Evaluation Framework for the Charter Signatories; and
- c. Co-ordinating and ensuring projects and interventions along the Corridor by Charter member have linkages with relevant projects in the rest of the Northern Corridor member states.

5.1.14.2. TradeMark East Africa (TMEA)

TradeMark East Africa (TMEA) is a special purpose vehicle funded by a range of development agencies with the aim of growing prosperity in East Africa through trade. It works closely with East African Community (EAC) institutions, Corridor authorities, national governments, the private sector and civil society organizations to promote trade by unlocking economic potential through increased market access, an enhanced trade environment and increased business competitiveness.

In order to support the objectives of the Mombasa Port Corridor Community Charter, TMEA commits to the following:

- a. Providing technical and financial support to ensure the objectives of the Mombasa Port Community Charter are realized and achieved on an ongoing basis even after the accession of the Charter by stakeholders;
- b. Undertaking a donor co-ordination exercise to bring on board all potential donor institutions to catalyse and generate financial support to ensure the Charter initiative is a success;
- c. Supporting the development of a National Transport Revenue and Investment Policy (the "Transport Revenue Policy"); and
- d. Facilitating the development of a superhighway on the Northern Corridor (the "Northern Corridor Superhighway" or "NCSH").

5.1.14.3. The Intergovernmental Standing Committee on Shipping (ISCOS)

The Intergovernmental Standing Committee on Shipping (ISCOS) is a regional maritime organization formed in 1967 by the member states of Kenya, Tanzania, Uganda and Zambia to promote and protect their shipping and maritime interests. Its Permanent Secretariat was established in 1974 in Mombasa, Kenya. After the extension of its mandate by the Council of Ministers through a Protocol dated 27th April 2006, ISCOS's key functions currently include:

- a. Advising the member governments on the best means of containing increases in freight rates and transport costs and other adverse changes within the shipping industry;
- b. Undertaking research and compiling statistical data with a view to advising the member governments on the level and structure of freight rates, port operating costs, conditions of marine carriage and other factors related to sea transport as well as land transport systems;
- c. Undertaking consultations with stakeholders for the adoption of common positions by contracting parties on shipping and maritime matters and/or in multilateral negotiations with third-party countries or international and regional maritime organizations; and
- d. Offering expert advice on matters related to shipping, and carrying out research and technical studies upon request by any member state.

In order to support the achievement of the objectives of the Mombasa Port Charter, ISCOS commits to:

- a. Establishing and implementing a real-time monitoring system that captures the actual experiences and feedback about service providers from users of Mombasa Port and the Northern Corridor;
- b. Generating regular reports to guide the development and implementation of policy and reform initiatives;
- c. Conducting shipper awareness events in Kenya and regionally in partnership with stakeholders.

5.1.15. Private Sector Players

The main responsibility of the private sector players will be to roll out a campaign and communication strategy to key players on the virtues of good behaviour in international trade. The main private sector players are categorised as apex bodies, cargo owners and service providers

5.1.15.1. The Kenya Private Sector Alliance (KEPSA) as Apex Body

KEPSA is an apex body of the private sector in Kenya and is comprised of 90 business membership organizations (BMOs) and over 200 corporates. KEPSA's mandate is private sector development through advocacy, projects and local and international partnerships. It also influences public policy through policy formulation and implementation to strengthen the role of the private sector as the pillar and engine of economic growth, employment and wealth creation. Its mandate also includes ensuring the formulation and implementation of pro-growth policies that promote Kenya's competitiveness.

In this Charter, KEPSA shall commit to the following;

- a. Co-ordinating private sector players on cross-cutting issues to ensure that commitments under this Charter are fulfilled within the set timelines;
- b. Ensuring continuous engagement between the private sector and Government for purposes of fulfilling the objectives of this Charter and communicating the same to the public.

5.1.15.2. Core Cargo Owners

5.1.15.2.1. Shippers Council of Eastern Africa (SCEA)

The Shippers Council of Eastern Africa (SCEA) is the lead representative body of cargo owners in Eastern Africa. The mandate of SCEA is to advocate for a reliable logistics environment and secure the competitiveness of business entities in Eastern Africa. This is done through providing a platform for shippers to articulate their concerns and demands to logistics service providers and government regulatory institutions. SCEA is able to influence development of trade logistics and freight transport policies that promote trade for the benefit of the Kenyan economy and that of its East African neighbours.

In order to ensure effective monitoring of the Charter performance, SCEA commits to;

- a. Regularly analysing and disseminating data on the Key Performance Indicators (KPIs) of the Charter;

- b. Convening a peer review mechanism to ensure private sector compliance with the Charter;
- c. Analysing operational and policy frameworks to ensure effective advocacy; and
- d. Conducting communication and publicity of the Charter.

5.1.15.2.2. Kenya Association of Manufacturers (KAM)

KAM is the representative organization of manufacturing industries in Kenya. Established in 1959 as a private sector body, KAM has evolved into a dynamic, vibrant, credible and respected business association that unites industrialists and offers a common voice for businesses. It provides an essential link for co-operation, dialogue and understanding with the Government by representing the views and concerns of its members to the relevant authorities.

5.1.15.2.3. East African Tea Trade Association (EATTA)

The East African Tea Trade Association (EATTA) was formed in 1957 to promote the interests of the tea trade in East Africa. EATTA's objectives include fostering and ensuring the orderly sale of tea and the centralization of the tea trade in East Africa. EATTA has been able to establish facilities for the sale of tea by auction and has facilitated the promotion of close relations within the industry.

5.1.15.2.4. The Kenya National Chamber of Commerce & Industry (KNCCI)

The Kenya National Chamber of Commerce and Industry (KNCCI) was established in 1965 as the umbrella body of the trade sector in Kenya. It is part of an international movement with a presence in 177 countries in five continents. It also has a countrywide structure in all the 47 counties. KNCCI membership covers all sectors of the economy and does not discriminate on the basis of size of enterprise. KNCCI provides a unified voice for the trade sector to influence public policy formulation, service delivery, monitoring

and evaluation.

The Chamber engages in economic diplomacy through facilitating inbound and outbound trade delegations, missions and fairs. The mandate of the chamber includes the following:

- a. Networking: Organising B2B (business to business) and B2G (business to government) forums to enhance the cause of the private sector; and,
- b. Issuance of trade documents such as the certificates of origin.

5.1.15.3. Collective obligations of the Core Cargo Owners

The core cargo owners umbrella organisations shall undertake the following actions to facilitate the attainment of the objectives of the Port Community Charter:

- a. Promote the Authorized Economic Operator concept jointly with KRA among shippers, thus ensuring that at least 70% of cargo throughput goes through the green channel by 31st December 2014.
- b. Promote pre-clearance of cargo consignments to support the achievement of the goal of facilitating 70% pre-clearance consignments 48 hours before docking of any vessel or earlier upon departure from the relevant load ports by 31st December 2014.
- c. Advocate for adoption of necessary steps amongst their members to build up their level of preparedness to embrace reforms being driven by public sector agencies.
- d. Promote the adoption of 24/7 economy practices among their membership in order to maximise the benefits being introduced by the Mombasa Port Community Charter.
- e. Advocate for policies that will improve the trade logistics environment.
- f. Educate shippers on their rights and obligations in import and export trade.
- g. Assist shippers to remain compliant with trade rules and regulations through training and awareness forums.
- h. Promote adoption of best practices and industry standards by providing a platform for sharing experiences through networking forums.
- i. Pledge to operate with transparency and no tolerance to corruption in the trade facilitation environment.

5.1.15.4. Container Freight Stations Association (CFSA)

Container Freight Stations, a feature of the maritime industry, are facilities that are located off the docks of sea ports. They act as secondary cargo handling and Customs clearances points. They play a critical role in decongesting the cargo handling operations at Mombasa port and providing an alternative platform for cargo inspection and revenue collection by the authorities, which enhances port capacity and efficiency.

The CFS Association of Kenya has a membership of 15 operators who are duly gazetted to operate under the East African Customs Management Act 2004. The mandate of the association is to promote the interest of its members. The association also seeks to develop operating standards for its members and encourages ethical practices in the discharge of their obligations.

5.1.15.4.1. Kenya Ships Agents Association (KSAA)

The Kenya Ships Agents Association was established in the early 1970s with the objective of promoting the interests of shipping companies using the Port of Mombasa.

5.1.15.4.2. Kenya International Freight and Warehousing Association (KIFWA)

KIFWA is the association of freight forwarders and Customs clearing agents in Kenya. The primary role of the association is to improve the technical capacity of its members through continuous training, dissemination of information and accreditation for licensing. KIFWA also advocates for the rights and business interests of its members.

5.1.15.4.3. Kenya Transporters Association (KTA)

The Kenya Transporters Association Limited (KTA Limited), formerly known as Kenya African Road Transport Association (KARTA) and Kenya Transport Association (KTA), was formed in 1969 to give truck transporters a forum through which they could engage the government and other industry players in addressing the challenges facing the transport sector.

The service providers umbrella organisations shall undertake the following actions to facilitate the attainment of the objectives of the Port Community Charter.

5.1.15.4.4. Collective Obligations of Service Providers:

- a. Promote the Authorized Economic Operator (AEO) scheme jointly with KRA among their members thus ensuring that at least 70% of cargo throughput goes through the green channel by 2014;
- b. Promote pre-clearance of cargo consignments to support the achievement of the Mombasa Port Reform Goal of facilitating 70% pre-clearance of consignments 48 hours before docking of any vessel or earlier upon departure from the relevant load ports by 31st December 2014;
- c. Advocate for adoption of necessary steps among their members to build up their level of preparedness to embrace reforms being driven by public sector agencies including subscription to the National Single Window System by 31st December 2014;
- d. Promote the adoption of 24/7 economy practices among their membership in to order maximise the benefits being introduced by the Mombasa Port Community Charter. This will include modalities for collection and delivery of cargo on a 24-hour operations basis from Container Freight Stations within three months of signing of the Mombasa Port Community Charter. Further improvements in Port Dwell Time will be encouraged by reducing free days accorded to local cargo and transit cargo to two days and five days respectively within three months of signing of charter;
- e. All Container Freight Station operators will take measures to ensure that the current target for transfer and evacuation of containerised cargo from the Port of Mombasa to their respective stations, pegged at 48 hours,

is reduced to 24 hours with improvements in documentation processing and cargo allocation within three months of signing of the Port Community Charter;

- f. The Container Freight Station operators shall ensure that they meet the minimum standards as stipulated by the KMA through compliance with CFS Service Level Agreements within three months of signing of the Port Community Charter;
- g. Ensure their members operate at maximum efficiency and sign up to the Professional Code of Conduct within three months of signing of the Port Community Charter;
- h. Advocate for policies that will improve the trade logistics environment;
- i. Educate shippers on their rights and obligations;
- j. Assist shippers to remain compliant with trade rules and regulations through training and awareness forums;
- k. Promote adoption of best practices and industry standards by providing a platform for sharing experiences through networking forums.



6.0 COLLECTIVE OBLIGATIONS AND GUIDING PRINCIPLES FOR ALL CHARTER SIGNATORIES

The anchor members shall establish a standing committee that shall be responsible for oversight of the Charter on behalf of the general Port Community. In particular, the standing committee shall:

- i. Develop and implement a peer review mechanism for the Port Community members with emphasis on the Performance Dashboard specific to trade facilitation and in conformance to the obligation of this Charter. The results shall be shared with the GoK performance contracting department and the board of directors in the case of statutory entities, and general meetings of the private sector groups for sanctions and/ or rewards;
- ii. Review all individual members' charters following the launch of the Charter. This will ensure that the Port Community's aspirations and principles of trade facilitation are aligned while respecting individual members' statutory mandates and obligations. In addition, they shall recommend the adoption of their subject charters as an integral part of the Charter in matters of trade facilitation.

The Port Community commits itself to adopting standards and supporting initiatives that enhance trade facilitation. The following charters and standards are wholly adopted as integral part of this Charter for implementation:

- a. Standards for Maritime Transport Services in Kenya consultatively developed by the Kenya Maritime Authority (KMA). The Port Community shall adopt and remain committed to the implementation of the standards as an integral part of the Charter. KMA will set up a mechanism to monitor compliance of these standards with immediate effect;
- b. The Kenya National Electronic Single Window System, Kenya TradeNet, rolled out by KENTRADE, which will be an integral part of this Charter. The Port Community, in acknowledging the introduction of KNESWS, further commits to an investment timetable geared towards attaining a paperless environment for trade facilitation by the end of the year 2014.

One of the main obstacles in trade facilitation is the lack of harmony among systems, procedures and IT platforms employed. KRA and KPA are in the process of upgrading 'Simba' and 'Kwatos', while KENTRADE is in the process of fully implementing the Kenya TradeNet that was rolled out on October 31st 2013. IT platforms have a lifespan of five years. KRA/KPA and KENTRADE will call for a

peer review and provide quality assurance for Kwatos, Simba and KNESWS to enable a seamless integrated system in trade facilitation.

KPA/KENTRADE shall further review and make recommendations on the Kwatos operation system as regards the long term interests of the Port Community by February June 2015.

The Port Community shall commit at all times to conduct their affairs in trade facilitation guided by the highest principles of transparency and ethics in order to facilitate a reduction of ethics. They shall not offer any inducement of any kind and shall promote A CORRUPTION FREE ENVIRONMENT.

The Port Community members further undertake to subject any changes in procedures or system to a review for impact analysis by the standing committee. They shall do a peer review and approve all changes before they are introduced and implemented.

Private sector members of the Port Community shall enforce a strict Code of Conduct for their members. There shall be appropriate sanctions for offenders, both public and private.

Each Port Community member also commits to do the following:

- i. Engage the local communities where applicable in the implementation of the charter;
- ii. Automate its internal systems and process to be able to integrate with the National Single Window System to ensure that paperless transactions are achieved by December 2014;
- iii. Develop and implement a reward and sanctions-based system to ensure those who cause delays and inefficiencies are held accountable;
- iv. Make sufficient budgetary allocations to underwrite the initiatives they are to undertake under this Charter; and,
- v. Provide data to facilitate the monitoring of the implementation of the Charter and the performance of the Corridor.

7.0 MONITORING & EVALUATION MATRIX

7.1. K.R.As and KPIs for the Charter

To ensure delivery of the goals of this Charter, a robust monitoring and evaluation framework will be implemented in accordance with the attached matrix in Annex I. This M&E framework shall follow the aforementioned Reform Programme Goals as well as the four Pillars and eight Key Result Areas (K.R.As). All these pillars and K.R.As have one overriding objective, which is to ensure achievement of the set goals that will spur regional economic growth. The Summary of KPIs is shown in Annex I.

Each of the 8 K.R.As will be tracked with the help of KPIs, some of which have already been alluded to in section 4.0 of this Charter. Some of the KPIs shall be reflected in the Performance Dashboard as Tier 1 or Tier 2 KPIs. Those not on the Dashboard will be considered special assignment KPIs as shown in table 5 below.

Table 5: Key Result Areas and Key Performance Indicators of the Charter

	KEY RESULT AREAS	KEY PERFORMANCE INDICATORS
 <p>1. Fit for purpose logistical and transport infrastructure</p>	a. Transform Mombasa port into a High-Performance Landlord Port	<p>i. Vessel Turn Around Time (Tier 1) This refers to the time in hours the ship is at pilot station, docks, offloads, loads and drops pilot;</p> <p>ii. Crane Productivity (Tier 2) This refers to the No. of moves per crane per hour (gross SSG);</p> <p>iii. Ship Waiting Time (Tier 2) This refers to the total time between arrival and berthing of a vessel;</p> <p>iv. Cargo Dwell Time (Tier 1) This refers to the average number of hours for cargo to leave the port terminal from the time it is off-loaded from the vessel;</p> <p>v. Time taken at One-Stop Center (Tier 2) This refers to the time taken from passing of cargo for inspection to release of the same;</p> <p>vi. Delay After Release (Tier 2) This refers to the time lapse between release and evacuation of cargo;</p>
	b. Proportionately grow the capacity of Hinterland Channels	<p>i. Cargo Off-take It is the volume of cargo leaving the port terminal via rail, road and pipeline.</p>
 <p>2. Operational efficiency</p>	a. Actualize Paperless Processing Through the Single Window System	<p>i. System Availability (Tier 1) This refers to the percentage time the KENSWS system is available for the users on a 24hr cycle;</p> <p>ii. Customs DPC (Tier 2) This refers to the average time spent for clearance at the Document Processing Center;</p> <p>iii. Logistics Cost as a %age of Cost of Goods (SA) This refers to the cumulative cost of logistics after landing expressed as a %age of the cost of goods.</p>
	b. Reduce Cycle-times through Speed and 24/7 Work Economy	<p>i. Transit Time (Tier 1) This refers to the average time for transit trucks to move from Mombasa port to Malaba&Busia exit points;</p> <p>ii. Average Number of Kilometres per Truck per Annum (Tier 2) This refers to the average distance covered by each truck in kms within 12 months regardless of the destinations;</p> <p>iii. Weigh Bridge Traffic & Compliance (Tier 2) This refers to the number of cargo trucks crossing the weighbridges and their compliance to set axle loads;</p> <p>iv. 24hr Service Availability (SA) This refers to the No. of targeted stakeholders operating 24 hours at the port;</p>

	KEY RESULT AREAS	KEY PERFORMANCE INDICATORS
 <p>3. Synergistic and collaborative port community</p>	a. Drive planned initiatives through stakeholders' executive leadership	<p>i. On-time Execution of Planned Initiatives (SA) This refers to adherence to set timelines in executing planned and agreed upon initiatives by the different Port Community members;</p>
	b. Ethical and Professional Business Practice	<p>ii. Non-Adherence to set standards (SA) This refers to the no of cases attracting (KRA, KPA and KENHA) fines due to non-compliance.</p>
 <p>4. Facilitative regulation and oversight engagement</p>	a. Streamline regulatory & oversight bodies' roles all-through the corridor	<p>i. %age of Imports through the green channel (SA) This refers to the percentage of imports that go through the port without being subjected to scanning and physical verification, a sign that they are from a trusted source;</p>
	b. Review, alignment and enactment of enabling legislation	<p>ii. Closure of identified gaps in legal framework (SA) This refers to the pace at which itemized pieces of missing legislation with a role in trade facilitation are attended to and closed.</p>

Note: SA refers to Special Assignment KPIs i.e. data established through surveys.

7.2. The Northern Corridor Performance Dashboard

The Northern Corridor Performance Dashboard is a live website facility giving up to the **minute** data on the transit of goods along the corridor. It will be hosted by the Permanent Secretariat of the NC-TTCA and the Executive Office of the President. The Dashboard is accessible by all the stakeholders at **www.Kandalakaskazini.co.ke** or **www.kanda.co.ke**.

The Northern Corridor Performance Dashboard host's weekly statistics from specific KPIs. The dashboard host's data for the following indicators:

a. Maritime Indicators:

- Ship Turnaround (hours);
- Gross Moves per ship per hour (number of).

b. Port Indicators:

- Customs Clearance Processing Time at Document Processing Centre (hours);

- Multi-agency Clearance Processing Time at Port One-stop Centre (hours);
- Delay after release (by private sector players) (in hours).

c. Corridor Indicators:

- Weigh-bridge Traffic (number of);
- Weigh-bridge Compliance (percentage);
- Transit Time to Malaba (hours);
- Transit Time to Busia (hours).

Visitors are presented with data from weekly averages. This data can further be compared graphically to show performance over five weeks and to compare performance against set baselines. Date filters can also be used to find performance statistics for a specific week.

Data presented on the dashboard is printable and downloadable in PDF. The dashboard is also built in responsive web design and accessible on computers

The Dashboard will have the following features: Front-end development; Google Charts API setup (for graphs); Content Management System (CMS)

development; Web server space setup; Database development; Browser compatibility tests; Design improvements and testing / debugging.

NORTHERN CORRIDOR PERFORMANCE DASHBOARD

PORT INDICATORS



Port Dwell Time
55.86
HOURS

Measures average time between landing & exit of container from the port
(week 34: 21 Aug 2013 - 27 Aug 2013)
Previous Week: 61.00

Delay After Release
41.52
HOURS

Measures average time between entry of Release Order and Removal of container
(week 09: 26 Feb 2014 - 4 Mar 2014)
Previous Week: 41.60

Customs - Dbc
1.66
HOURS

Measures average time between customs entry registration and passing of customs entry registration
(week 09: 26 Feb 2014 - 4 Mar 2014)
Previous Week: 0.96

One Stop Center
51.12
HOURS

Measures average time between passing of customs entry registration and issuance of release order
(week 09: 26 Feb 2014 - 4 Mar 2014)
Previous Week: 0.96

CORRIDOR INDICATORS



Weigh Bridge Traffic
592
TRUCKS

Measures the number of weighed trucks per day
(week 08: 19 Feb 2014 - 25 Feb 2014)
Previous Week: 592

Weigh Bridge Compliance
40.92 %

Measures the percentage number of weighed trucks that comply to truck weight regulations
(week 08: 19 Feb 2014 - 25 Feb 2014)
Previous Week: 40.97
Mariakani

Kenya Transit Time
64.18
HOURS

Measures average time between issuance of release order and issuance of certificate of export t Malaba/Busia border crossing
(week 09: 26 Feb 2014 - 4 Mar 2014)
Previous Week: 79.89
Malaba

MARITIME INDICATORS



Ship Turn Around
* *
HOURS

Measures average time difference between ship entering port area and exiting
(week 08: 19 Feb 2014 - 25 Feb 2014)
Previous Week: **

Gross Moves
* *
PER SHIP/
HOURS

Measures the number of cranes moves per ship per hour
(week 08: 19 Feb 2014 - 25 Feb 2014)
Previous Week: **



8.0 MOMBASA PORT CORRIDOR COMMUNITY CHARTER: ACTIVATION AND IMPLEMENTATION

In order to implement this Charter, the following actions are needed:

- i. Hold an Activation Summit to be presided over by His Excellency the President, where all Port Community members shall ratify the charter for implementation;
- ii. Official Launch of the Northern Corridor Performance Dashboard to be hosted by the Permanent Secretariat of the NC-TTCA and the Executive Office of the President of the Republic of Kenya;
- iii. Launch of the Mombasa Port Community Charter Standing Committee to be co-ordinated by Shippers Council of East Africa (SCEA) working in conjunction with KMA, NC- TTA and TMEA. TMEA will provide the necessary financial and Technical support for a period of two years. On elapse of the initial two year period, a review will be undertaken on targets and commitments;
- iv. The Standing Committee will be reporting on a quarterly basis to members of the Mombasa Port Corridor Community Charter;
- v. The Presidency of the Kenya Government will ensure all public entities in the Charter comply and where necessary effect sanctions / rewards;
- vi. The KMA will take punitive measures against private entities where compliance is not meet within its mandate;
- vii. The Standing Committee will name and shame any signatory to the charter who consistently fails to comply with the agreed obligations; and,
- viii. The Apex members of the private sector will take disciplinary measures against private sector members who fail to comply with their expected obligations in the charter.

9.0 ASSUMPTIONS

In developing the Charter, setting targets and proposing initiatives, it is assumed that:

- i. There will continue to be political goodwill to facilitate the proposed changes;
- ii. All agencies shall provide adequate resources to support the required compliance initiatives;
- iii. The region shall continue to record the projected economic growth and therefore the demand for the services along the corridor will continue to expand;
- iv. The private sector community members shall indeed embrace ethical business practices even if it lowers their current profitability;
- v. All community members' systems will be compatible with the envisaged.



10.0 SIGNATORIES

Category and Name of Partner	Name	Designation	Signature
A: Public Sector			
1. Kenya Revenue Authority	John Njiraini	Commissioner General	
2. Kenya Ports Authority	Gichiri Ndua	Managing Director	
3. Kenya Railways Corporation	Atanas K. Maina	Managing Director	
4. Kenya National Highways Authority	Meshack Kidenda	Director General	
5. Kenya Pipeline Company Limited	Charles Tanui	Managing Director	
6. Kenya Trade Network Agency	Alex Kabuga	Chief Executive Officer (CEO)	
7. Kenya Maritime Authority	Nancy Karigithu	Director General	
8. Kenya National Police Service	David Kimaiyo	Inspector General	
9. Kenya Bureau of Standards	Charles Ongwae	Managing Director	
10. National Transport and Safety Authority	Francis Mooke Meja	Director General	
11. Kenya Plant Health Inspectorate Service	James Onsando	Managing Director	
12. Port Health Department	Kepha M. Ombacho.	Head of Department	
13. Radiation Protection Board	Joel Kamande	Secretary/Chief Radiation Protection Officer	

Category and Name of Partner	Name	Designation	Signature
B: Special Interest Partners			
1. The Northern Corridor Transit Transport Co-ordination Authority	Donat M. Bagula	Executive Secretary	
2. Trademark East Africa	Frank Matsuert	CEO	
3. The Intergovernmental Standing Committee on Shipping	Kenneth Mwige	Secretary General	
C: The Private Sector Players			
Core Cargo Owners			
1. The Kenya Private Sector Alliance	Caroline Kariuki	CEO	
2. Kenya Association of Manufacturers	Betty Maina	CEO	
3. East African Tea Trade Association	Edward Mudibo	CEO	
4. The Kenya National Chamber of Commerce & Industry	Kiprono Kittony	Chairman	
5. Shippers Council of Eastern Africa	Gilbert Langat	CEO	
Service Providers			
1. Container Freight Stations Association	Daniel Nzeki	CEO	
2. Kenya Ships Agents Association	Juma Tellah	CEO	
3. Kenya International Freight and Warehousing Association	Sam Njoroge	Chairman, Board of Trustees	
4. Kenya Transport Association	Willington Kiverenge	Ag. CEO	

11.0 ACKNOWLEDGEMENTS

The successful development of this charter can be attributed to the efforts of several stakeholders. While the Mombasa Port Corridor stakeholders greatly appreciate the efforts of all parties, the following are singled out for mention:

- 1. Guidance and contribution from the 10-member core committee formed by stakeholders during a breakfast meeting held on Friday 26th April, 2013 at Hotel Intercontinental.** The Port Community is grateful to the committee led by heads of the following institutions: Shippers Council of Eastern Africa (SCEA), Kenya Revenue Authority (KRA), Kenya Ports Authority (KPA) and the Kenya National Chamber of Commerce and Industry (KNCCI). The following members of the committee are singled out for mention for their excellent contributions: Gilbert Lang'at (SCEA), Gichiri Ndua (KPA), James Mureu (KNCCI), Nancy Karigithu, John Omingo (KMA), Beatrice Memo (KRA), Alex Kabuga and Amos Wangora (KENTRADE), John Wepukhulu and Phoebe Gituku (KEBS), Eng. Samuel Okech Omer (KeNHA), Humphrey Kitembe (SCEA), David Kimuli (KRA), Capt. Ali Twalib Khamis (KPA), Justus O Nyarandi and Sudi Amani (KPA). We are grateful to Gilbert Lang'at, Shippers Council of Eastern Africa, for chairing the many meetings of the committee.
- 2. Guidance and contribution from TradeMark East Africa.** The Port Community is grateful for the valuable contribution in terms of technical and financial assistance provided by TMEA. Dr Chris Kiptoo, Kenya Country Director, TradeMark East Africa, is particularly acknowledged for the excellent leadership skills demonstrated in spearheading the process of coming up with the Charter. Other TMEA staff also singled for their outstanding contribution throughout the development of the Charter are: David Stanton (DCEO), George Wolf (Infrastructure Director), James Ng'angá (Infrastructure Manager), Simon Konzolo (Program Officer), George Owuor (Programme Officer), Samuel Helu (Program Manager at KPA) and Mercy Kuruswa (Administrative Assistant).
- 3. Guidance and contribution from Government ministries, agencies and departments:** The following are thanked for their support in the development and signing of the Charter: Joseph Kinyua, Chief of Staff in the Executive Office of the President; Marianne Kitany, Chief of Staff in the Office of Deputy President; Eng Michael Kamau, Cabinet Secretary for Transport & Infrastructure and his Principal Secretaries Nduva Muli (Transport) and John Mosonik (Infrastructure); Phyllis Kandie, Cabinet Secretary in the Ministry of East African Affairs, Commerce and Tourism and her Principal Secretaries Dr Ibrahim Mohamed and Mwanamaka Mabruki; Henry Rotich, Cabinet Secretary to the National Treasury; Cabinet Secretary Adan Mohammed, Ministry of Industrialisation & Enterprise Development; Gichiri Ndua, MD, Kenya Ports Authority; Eng Meshack Kidenda, Director General, Kenya National Highways Authority (KeNHA) and John Njiraini, Commissioner General, KRA.
- 4. Guidance and contribution from private sector players.** The following are singled out for mention: Betty Maina (CEO of KAM), Edward Mudibo (MD East African Tea Traders Association), Vimal Shah (Chairman KEPSA), Carole Kariuki (CEO KEPSA), Meshack Kipturgo (Chairman CFSA), Daniel Nzeki (CEO CFSA), Steve Felder (MAERSK),

Daniel Nzeki (CEO CFSA), Juma Tellah (CEO Kenya Ships Agents Association), Boaz Makomere (then Chairman Kenya International Freight and Warehousing Association) and Wellington Kiverenge (CEO, Kenya Transporters Association).

- 5. Representatives of the following institutions are also acknowledged:** Kenya Ships Agents Association, Federation of East Africa Freight Forwarders Association, Rift Valley Railways, Kenya International Freight and Warehousing Association and Kenya Transporters Association.
- 6. Support from special interest partners:** TradeMark East Africa for providing technical and financial support, the Northern Corridor Transit Transport Co-ordination Authority, civil society and the Intergovernmental Standing Committee on Shipping. Also acknowledged are the Mombasa County Government as well as the Mombasa Port Efficiency Platform comprising of business and civil society organizations. We are also grateful to our investment partners DfID, USAid-East Africa and the Danish Embassy for their advice throughout this process. The Charter development process and associated activities were funded by TMEA which in turn is funded by several donor agencies shown in www.trademarkea.com.



12.0 ANNEX I: KPIs FOR THE CHARTER

This charter has high level KPIs as already shown in the earlier section: it is expected that each of the port community members shall cascade to lower levels within their own

organizations. The accompanying initiatives shall be discussed in the regular performance review meetings and ticked off as they are accomplished and new ones developed:

KPI	Unit Type	Baseline	Targets			Frequency	Data Source	Associated Initiatives
			Dec 2013	June 2014	Dec 2014			
Vessel Turnaround Time	Hrs		72	48	24	Weekly	KPA	<ul style="list-style-type: none"> Review and realign the ongoing port expansion projects to avoid catch-up KPA to implement incremental changes through a proven model e.g. KAIZEN, Balanced Scorecard, MBO etc Embark on construction of KOT 2 invest in additional petroleum oil storage tanks Construction of an offshore Single Buoy Mooring Establish up to date dry bulk facilities
Crane Productivity	No.					Weekly	KPA	<ul style="list-style-type: none"> Outsource all stevedoring services to the private sector
Ship Waiting Time	Hrs					Weekly	KPA	<ul style="list-style-type: none"> Conversion of berth nos. 11 - 14 into container handling terminal
Cargo Dwell Time	Hrs	144	48	36	24	Weekly	KPA	<ul style="list-style-type: none"> 70% clearance 24 hrs before docking of any vessel Conduct joint verification Expand the scope of services rendered by the CFSs Outsourcing of conventional cargo operators Move Customs warehouse cargo to the G section
Time Taken at One-Stop Centre	Hrs					Weekly	KRA	<ul style="list-style-type: none"> Conduct joint verification Verification of transit cargo to be made at the countries of destination
Delay After Release	Hrs					Weekly	KPA	<ul style="list-style-type: none"> Automate gate clearance Dedicate special gates to CFSs Ensure 24hr operations
Cargo Offtake (Road, Rail, Pipeline)	% of total vol	Road	Road 80	Road 70	Road 60	Weekly	KPA	<ul style="list-style-type: none"> Construction of a Standard Gauge Railway from Mombasa to Malaba Clear temporary structures and permanent encroachments on key roads Reconfigure key roads to enhance traffic flow Embark on construction of the Mombasa-Kigali Superhighway Upgrade of KPC line from Mombasa to Nairobi.
		Rail	Rail 20	Rail 30	Rail 40			
		Pipeline	Pipeline 70 of lqd	Pipeline 80 of lqd	Pipeline 90 of lqd			

KPI	Unit Type	Baseline	Targets			Frequency	Data Source	Associated Initiatives
			Dec 2013	June 2014	Dec 2014			
System Availability	%		99.9	99.9	99.9	Weekly	KENTRADE	<ul style="list-style-type: none"> Upgrade and integrate Simba & Kwatos systems into the National SWS Install high availability servers Avail alternative power source to the port
Customs DPC	Hrs						KRA	<ul style="list-style-type: none"> On the spot approval of manifest Allow partial manifest Simultaneous online submission of manifest
Logistics Cost as a %age of Cost of Goods	%	>30	<20	<15	<10	monthly		<ul style="list-style-type: none"> KENTRADE to fast track implementation of the KNESWS Effect partial lodgement of manifests and 70% clearance of cargo 24hrs prior to ship arrival Use of online bond cancellation Overhaul transit management system and replace it with tax payment at first port of entry in EAC. Review process mapping and do away with unnecessary procedures
Transit Time	Days		Busia Malaba	Busia Malaba	Busia Malaba		NC-TTCA	<ul style="list-style-type: none"> KeNHA to fast-track infrastructural improvements Activities at weighbridges to be minimized KNPS to provide 24hr security for transit trucks
Av. No. of Kms per Truck per Annum	Kms	70,000	80,000	100,000	120,000	monthly	KTA	<ul style="list-style-type: none"> Installation of high speed weigh-in-motion at all weigh bridges Transporters to ensure continuous movement of their trucks Sealed containerized cargo/tankers transporting transit cargo to be weighed at port of entry Implement cargo tracking
Weighbridge Traffic and Compliance		Traffic C'plnce					NC-TTCA	<ul style="list-style-type: none"> Fast-track the harmonization of axle load requirements among the COMESA partner states Enhance electronic cargo tracking system KTA to enforce Code of Conduct among its members
24hr Service Availability	%		100	100	100	weekly	Oversight Committee	<ul style="list-style-type: none"> All players to create and enforce work shifts to cover 24hrs 7 days a week Provide adequate security to all players Alternative power supply to the Port of Mombasa

KPI	Unit Type	Baseline	Targets			Frequency	Data Source	Associated Initiatives
			Dec 2013	June 2014	Dec 2014			
On-Time Execution of Planned Initiatives	%		100	100	100	monthly	Oversight Committee	<ul style="list-style-type: none"> Harmonization of the different stakeholder service charters with the Port Charter Open reward and recognition of the executives who deliver as per plan
Non Adherence to Set Standards	No.		zero	zero	zero	weekly		<ul style="list-style-type: none"> Strengthen structures for self-regulation among interest groups Establish a permanent port charter oversight committee
%age of Imports through the Green Channel	%	30	50	60	70	monthly		<ul style="list-style-type: none"> Verification of cargo to be done at country of destination Campaign and communication of virtues of good behaviour in international trade Adoption of the KMA standards by the Port Community
% Closure of Identified Gaps in Legal Framework			40	60	80	Quarterly	Oversight Committee	<ul style="list-style-type: none"> Compliance with EAC laws concerning transit goods licensing Review KPA ACT and revise Harbour Regulations to conform to changes in Port Community operations and strategic roadmap Identify and isolate all regulations requiring review



