



THE MOMBASA PORT STAKEHOLDERS 2ND THINK
TANK FORUM AND ANNUAL REVIEW OF THE
PORT COMMUNITY CHARTER

VENUE: MOMBASA PRIDEINN PARADISE BEACH RESORT, MOMBASA

DATE: 1-2 MARCH 2018

PURPOSE OF THE PRESENTATION

- Implementation progress of the Mombasa Port Community Charter
 - Introduction
 - Implementation review process
 - ✓ Review of commitments, key performance indicators, and targets
 - ✓ Review of achievements
 - ✓ Insights into areas requiring review
 - Challenges
 - Way forward

The presentation to be availed for review and reference by thematic groups

THE MOMBASA PORT COMMUNITY CHARTER

- **Signed in June 2014 as a:**
- Culmination of extensive consultations among all port stakeholders
- Desire to realise full trade facilitation potential
- Framework to achieve seamless transport along the Mombasa Port Corridor
- Framework for enhancing an efficient, effective and competitive port and logistics supply chain along the Northern Corridor
- Driver for transforming the nation and region into attractive investment destination

UNIQUE PARTNERSHIP IN TRADE AND TRANSPORT LOGISTICS

- Unique partnership of 25 public and private sector
 - 13 public sector signatories
 - 9 private sector signatories
 - 3 special interest partners
- Mombasa Port Corridor
 - Mombasa port, and
 - Northern Corridor
- National and regional impact
- Range of Membership
 - service providers
 - cargo owners
 - enforcement
 - policy makers
 - regulators
 - infrastructure providers
 - special interest partners
- Regularly updated Performance Dashboard



We, as Captains of the Mombasa Port Community, hereby append our signatures as a commitment to fully implement our respective obligations as enshrined in the Mombasa Port Community Charter.



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KENYA REVENUE AUTHORITY
Commissioner General

Gichiri Ndua
KENYA PORTS AUTHORITY
Managing Director

Atanas K. Maina
KENYA RAILWAYS CORPORATION
Managing Director

Meshack Kidenda
KENYA NATIONAL HIGHWAYS AUTHORITY
Director General

Charles Tanui
KENYA PIPELINE COMPANY LIMITED
Managing Director

Alex Kabuga
KENYA TRADE NETWORK AGENCY
Chief Executive Officer

Nancy Karigithu
KENYA MARITIME AUTHORITY
Director General

Francis Mooke Meja
NATIONAL TRANSPORT AND
SAFETY AUTHORITY
Director General

Dr. James Onsando
KENYA PLANT HEALTH
INSPECTORATE SERVICE
Managing Director

Witnessed By

His Excellency Hon. Uhuru Kenyatta, C.G.H,
President and Commander-in-Chief of the Defence Forces of the Republic of Kenya

Joel Kamande
RADIATION PROTECTION BOARD
Secretary/Chief Radiation Protection Officer

Caroline Kariuki
THE KENYA PRIVATE SECTOR ALLIANCE
Chief Executive Officer

Gilbert Langat
SHIPPERS COUNCIL OF EASTERN AFRICA
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Chairman

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KENYA SHIPS AGENTS ASSOCIATION
Chairman

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THE INTERGOVERNMENTAL STANDING
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Secretary General

Kiprono Kittony
THE KENYA NATIONAL CHAMBER
OF COMMERCE & INDUSTRY
Chairman



THE PUSH FACTORS

- Non-aligned discharge of mandate in trade facilitation (silo mentality)
- Insufficient capacity and ineffective operational models at both the Port terminal and hinterland transport channels
- Multiplicity of cargo interveners (duplication of processes and requirements – use of different Acts or legislations)
- Reluctance to delegate

THE PUSH FACTORS

- Time-consuming cargo clearance procedures (interventions by customs and other statutory bodies)
- Insecurity and time-consuming non-tariff barriers along the Corridor
- Corruption in the logistics supply chain
- Lack of alignment of enabling legislation to facilitate trade

PURPOSE OF THE CHARTER

- Establish a permanent **framework of collaboration** that binds the Port Community to specific actions, collective obligations, targets and time lines
- Complement the individual institutional service charters
- Introduce, educate and publicize best industry practices and guiding principles to all citizens participating in international trade
- Develop and implement a self-monitoring mechanism to ensure implementation of collective community obligations

GOALS

	GOAL	STATUS
1	Translate the Port of Mombasa into a high performing landlord port by 2016	Strategic infrastructure developments: corporatization of Mombasa Container Terminal; revitalize Nairobi ICD; detailed design finalized for conversion of berth 11-14; relocation of KOT
2	Achieve 70% cargo throughput through the green channel	January 2018: Green Channel Import Entries <ul style="list-style-type: none">• Countrywide: Total: 29,125; Green: 12,020 (41.3%)• Mombasa port: Total 18,084; Green 7,522 (41.6%)
3	Have paperless cargo clearance by integrating community systems into the KNESWS by Dec 2014	31 Partner Government Agencies (PGAs) using Kenya National Single Window System- KESWS Over 9,600 registered users; consignment documents released through KESWS

GOALS

	GOAL	STATUS
4	Increase liquid bulk holding capacity to 11,000,000 MT by December 2015	Liquid bulk holding capacity of 13,151,938 MT (14,822,234 M ³) in February 2018
5	Achieve an average of 120,000 km per truck per annum by December 2016	Average of 96,240km per truck per annum
6	Grow cargo off take by rail to above 35% of throughput by December 2018	Only 2.0% of deliveries and receipt of import containers at the Port of Mombasa for the year 2017.

KEY OBSERVATIONS

- Slow implementation of the Charter
- Inadequate financial support Charter activities – delay of projects
- Ambitious targets and KPIs
- Commitments dependent on other measures that needed to be put in place
- Inadequate coordination of government agencies and private sector in cargo clearing processes
- Not all services providers and cargo owners work under 24/7 operation. Limited by various issues e.g.
 - ✓ Security,
 - ✓ Lack of customers,
 - ✓ Costs,
 - ✓ Lack of capacity
 - ✓ Not ready to work on late hours etc.

KEY OBSERVATIONS

- The Port Community Charter is heavily import trade biased and not aligned with the National Trade Policy for “Transforming Kenya into a Competitive Export-Led and Efficient Domestic Economy”
- Blue economy not factored

KEY ACHIEVEMENTS

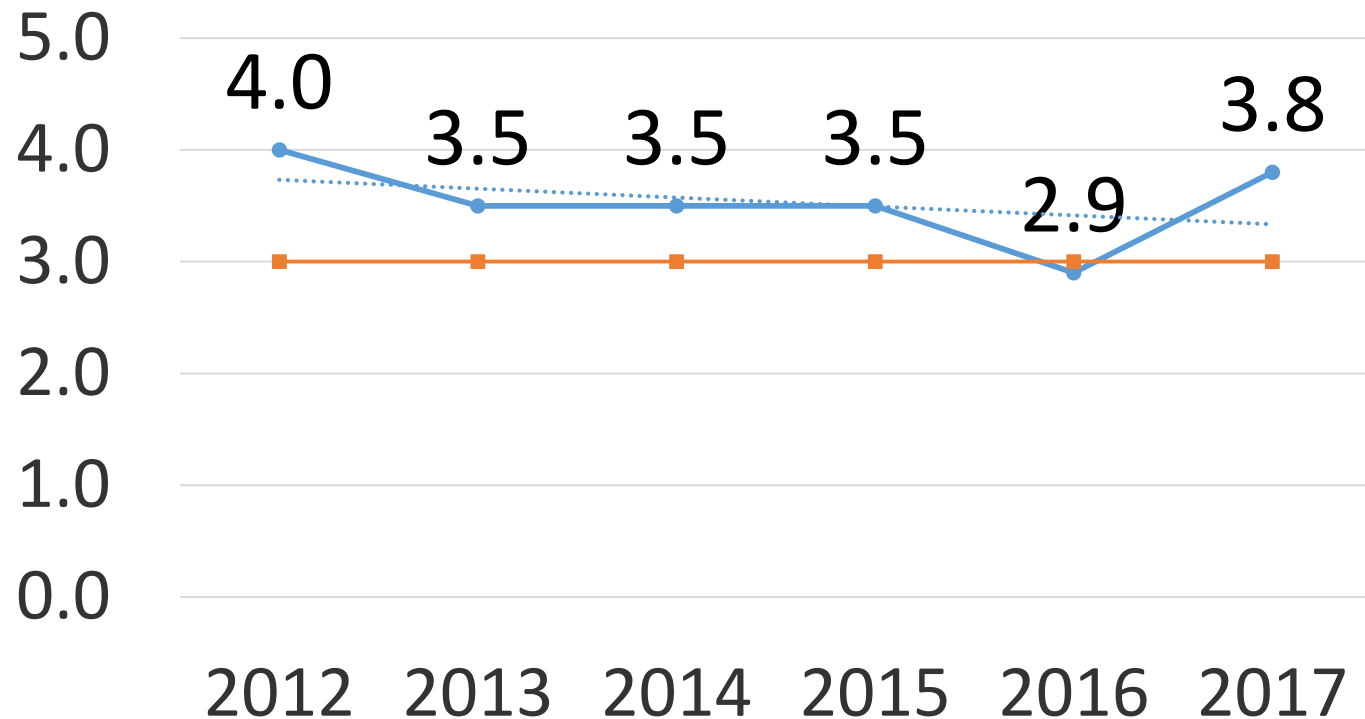
- Actualized trading through single window system
 - 31 govt. agencies linked to NSWS
 - Over 9600 registered users
 - Rationalized business processes (avoid many agencies giving same services)
 - Reduction of government documents e.g. permits, certificates
 - Reduced use of papers
 - Electronic payments
 - Increased compliance
- Increased capacity for port and inland channels
 - Completion of 2nd container terminal
 - SGR (Mombasa-Nairobi)
 - Pipeline (Sinendet to Kisumu - Line 6; Mombasa-Nairobi - Line 5; storage tanks at Nairobi Terminal)
 - Improved roads
 - AEOs, Green Channel, Pre-Arrival Clearance Schemes

KEY ACHIEVEMENTS

- Launch of the Integrated Customs Management System (ICMS) that will automate customs processes
- Charter used as an important tool to articulate issues to improve operations
- Incorporation of the Charter in government agencies PCs
- Northern Corridor Performance Dashboard for dissemination of weekly, monthly, annual of information

Ship Turnaround Time

Average Ship Turnaround Time



- Ship turnaround time = Service Time + Waiting Time
- Overall target of 72 hours (3 days) NOT achieved
- Declining trend driven by reduction in service time and not waiting time
- Ship turnaround time increasing after 2016

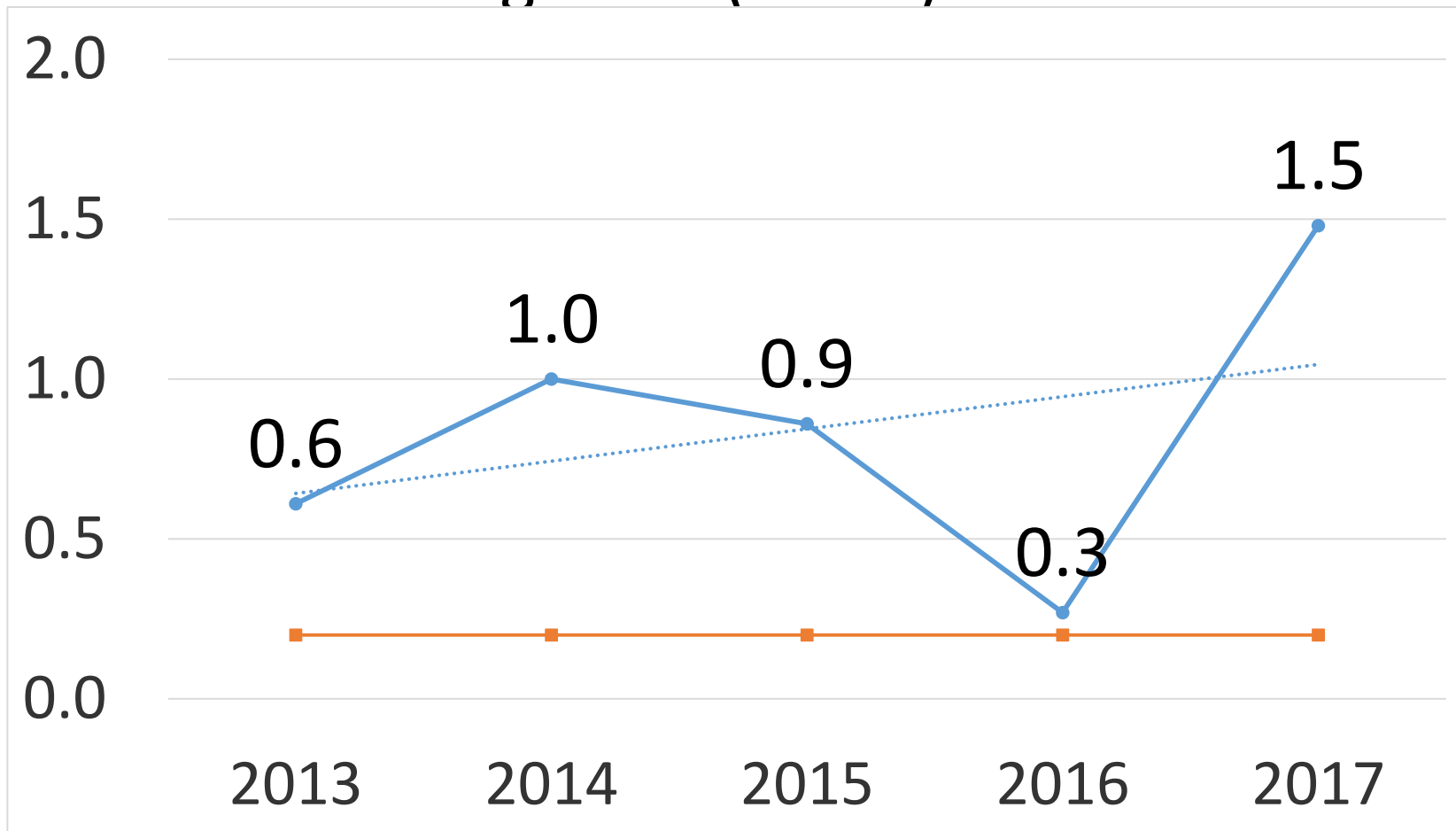
Ship Turnaround Time cont.

SHIP TURNAROUND TIME

Ship type	Baseline (2013)	Target	2017
Container	3.5	3	2.6
Roro	1.7	2	1.9
General cargo	4.5	4	4.4
Bulk	5	3	7.4
Car carriers	1.2	1	1
Tanker	3.7	4	4.6
AVERAGE	3.7	3	3.8

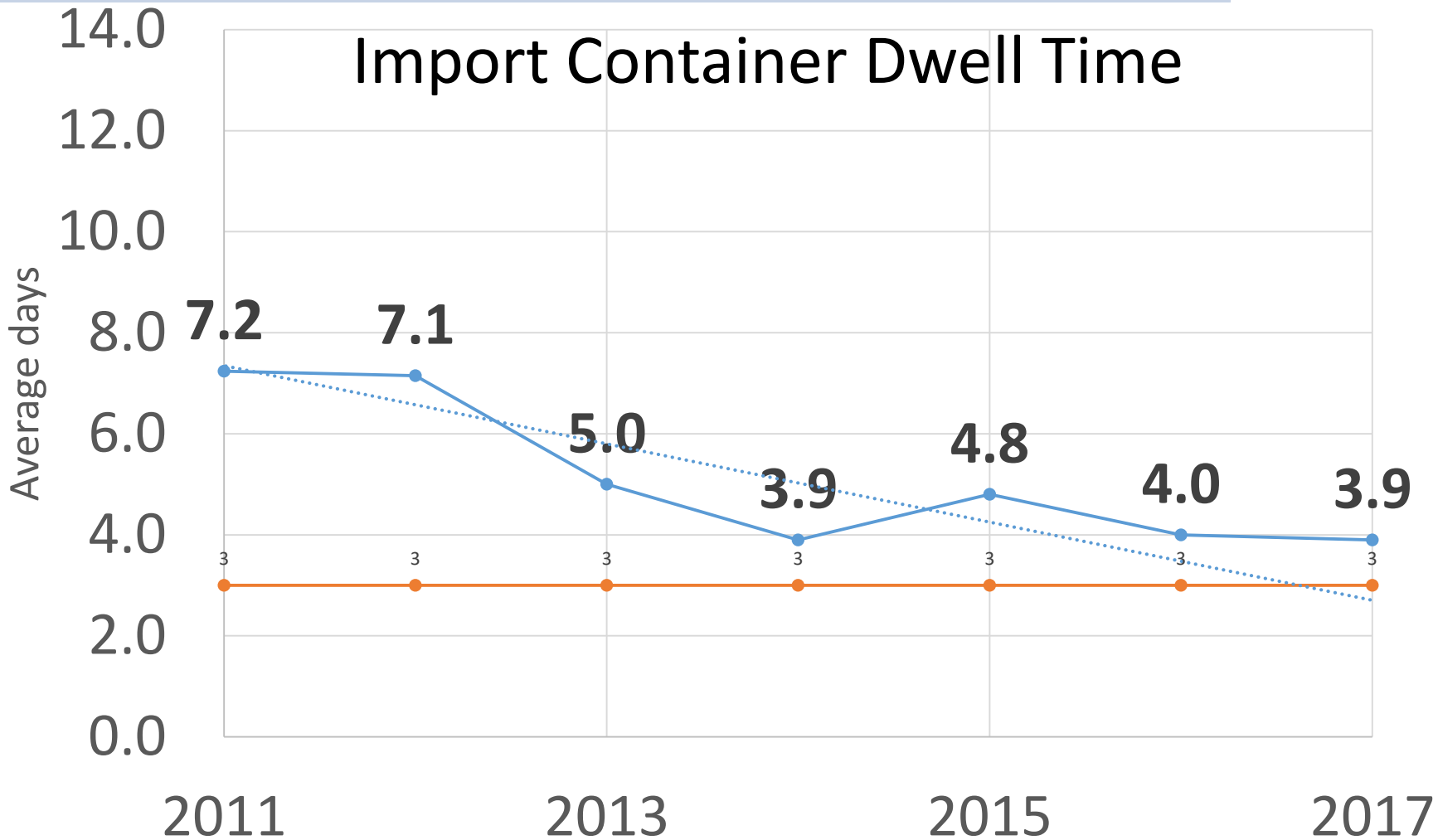
Ship Waiting Time

Waiting Time (Gross): Containerized



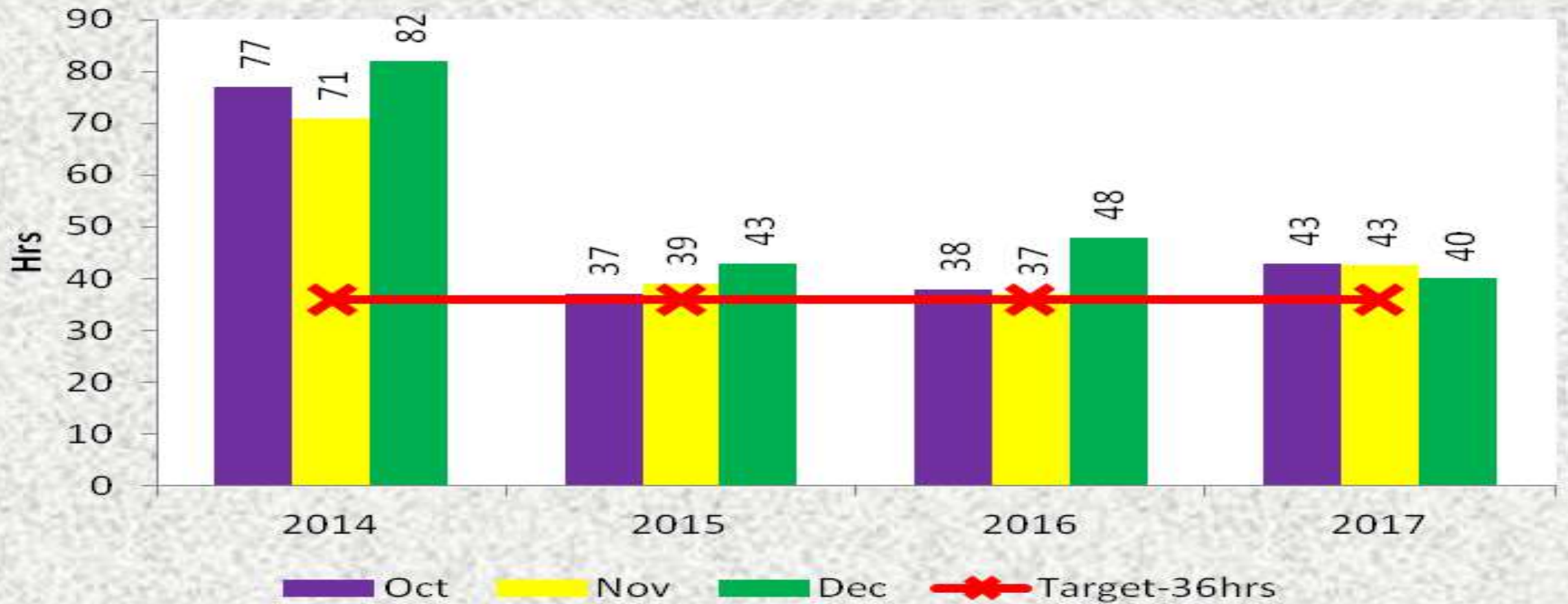
- Charter target of 0.2 days (Gross) or 4.8hrs
- Target NOT achieved
- Note: Ships convenience accounted for 27% of total waiting time from Jan-June 2017

Container Dwell Time



- Target: 72 hrs (3 days)
- Target NOT achieved

Delay After Customs Release



Container Dwell Time cont....

Target not yet met due to:

- Delays/shortage in affixing of cargo tracking gadgets by KRA contracted vendors
- Congested road along the port entry and exit
- KRA/KWATOS system downtime
- Delayed removal of cleared cargo by shippers
- Time consuming gate entry and exit processes for trucks
- Delayed pick up of cleared cargo by transporters
- 9 days free period for transit and 4 days for local cargo is above the Charter target of 3 days

Container Dwell Time cont....

Reducing dwell time:

- Adopt pre-arrival cargo clearance concept fully
- Improve road infrastructure around and inside the port
- Automate and streamline truck entry and exit gate processes
- Reduce KRA/KWATOS system downtime
- Improved collaboration between clearing & forwarding agents with cargo owners/transporters for speedy removal of cargo from the port
- Speed cargo pick up from the port
- Increase cargo off by rail
- Provide truck marshalling yard in the vicinity of the port
- Monitor the cargo clearance process through KENSWS

Transit Time

Route	Baseline	Target	2017 (December)
Mombasa – Malaba (933km)	189hrs	72hrs	110hrs
Mombasa – Busia (947km)	177hrs	72hrs	121hrs

Transit Time cont.

Target for 72 hours not achieved due to:

- Delays by transporters to pick cargo after port release,
- Delays within transporters facilities,
- High frequency of stoppages along the Northern Corridor by drivers

Note: Most of the stops are for personal reasons for both outbound and inbound

STRATEGIC DEVELOPMENTS

KPA

- Construction of Second Container Terminal (500,000 TEUs additional capacity)
- Redevelopment of Nairobi ICD - capacity has increased from 180,000 TEUs to 450,000 TEUs
- Introduction of fixed berthing window scheme (late 2015)
- Acquisition of more equipment for cargo handling and marine services

STRATEGIC DEVELOPMENTS

KENHA

- Installation of High Speed Weigh in Motion (HSWIM) systems at Mariakani, Athi River, Gilgil and Webuye - ease traffic flow
- Upgrade Moi Airport access road and Port Reitz road to dual carriage
- Mombasa Southern Bypass and Kipevu link road (10km) -weighted progress at 81.62% (December 2017)

STRATEGIC DEVELOPMENTS

KENTRADE

- 31 govt. agencies linked to National Single Window System (NSWS)
- Over 9600 registered users - exporters, importers, C&F agents, govt. agencies etc.
- Consignments documents and applications submitted to PGAs through the Single Window System
- Cargo release module tagged to NSWS
- Facilitate pre-clearance - application made through single window system
- Other relevant modules include declaration, permit, payment, marine insurance, security modules etc.

STRATEGIC DEVELOPMENTS

KRA

- ICMS launched
- Automation of DPC
- ICMS risk management module
(will automate issuing of green channel)
- Pre-Arrival Clearance
- Cargo Release modules

STRATEGIC DEVELOPMENTS

PORT HEALTH SERVICES (PHS)

- E-Portal launched May 2017 for online clearance processes for cargo clearance
- Stoppage check of less than 12 hrs achieved
 - ✓ Test analysis at Government Chemist and National Public Laboratory

STRATEGIC DEVELOPMENTS

KEBS

- Goods with Certificate of Conformity (COC) takes 1 hour
- Increased compliance to Pre-Export Verification of Conformity (PVoC) with 95% level of compliance - 4 agencies carrying out verification of imports
- 70.3% of consignment cleared through NSWS
- Set up at Mombasa a laboratory for testing samples on food microbiology, meteorology etc.

STRATEGIC DEVELOPMENTS

KPC

- Completed construction of pipeline from Sinendet to Kisumu (Line 6)
- Replacement of Mombasa-Nairobi pipeline (Line 5) – about completion
- Construction of new storage tanks at Nairobi Terminal
- Received products on delivery from oil marketers – however, evacuation is below the moving target
 - Affected by lack of products, low market demand, and lack of ullage

STRATEGIC DEVELOPMENTS

KRC

- Phase I construction of the SGR rail tracks from Mombasa to Nairobi is complete.
 - Other phases to follow: Nairobi-Naivasha (120km), Naivasha-Bomet-Kisumu (262km), Kisumu to Malaba (107km)
- Design capacity of SGR 22M tons per year
- Traffic volume of 7.2M tons annually when fully operational.

PRIVATE SECTOR

- Sensitization of members on AEO (green channel) and cargo pre-clearance
- Trainings on system roll-outs by government agencies e.g. KENTRADE & KRA
- Adoption of best practices - developing standards; network forums, seminars, meetings for sharing experience with key agencies
- Policies advocacy on improvement of trade environment - shippers education and networking forums
- Promotion though with limited success, the 24/7 operation
- Promotion of use of IT in cargo clearance

WAY FORWARD

- Promote cargo clearance through Single Window System
- Fast-track automation of gate processes and provision of special passes to truck drivers to speed up entry/exit
- Revamp coordination on 24/7 operations – to promote and coordinate specific departments or service providers for 24/7 when needed
- Strengthen gov. agencies PCs to make them explicit on Charter activities and adequate allocate resources

WAY FORWARD

- Promote AEO, green channel and pre-arrival clearance schemes
- Review of the Charter KPIs, targets, timeframes etc.
- Regular communication on Charter progress
- Increase cargo off take by railway and utilize Inland Container Depot
- Elaborate M&E framework to help measure implementation progress
- Align the Charter with National Trade Policy (give equal prominence to exports)
- Explore opportunities and Charter contribution to blue economy
- Transform MPCC into a strong networking forum for service providers and cargo owners

END

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