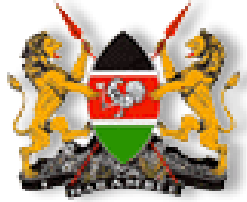


**REPORT OF THE JOINT  
TECHNICAL  
COMMITTEE ON THE  
IMPROVEMENT OF  
EFFICIENCY AND COST EFFECTIVENESS OF TRANSPORTATION OF  
CARGO USING SGR**



## **1.0 INTRODUCTION**

It is observed that cost of doing business and efficiency at the port is dependent on the actions by the government agencies at the port, shipping lines and cargo owners, and the time each of the players take to executive their actions is crucial. It was observed that the number of players and duplication of roles also result in increased processing time and costs of doing business. The report, therefore, contains analysis of factors contributing to increased processing time and costs; the proposed cost structure if inefficiencies are addressed, operational guidelines to be adhered to for efficiency to be realized and strategies/actions necessary to sustain the efficiency.

## **2.0 ANALYSIS OF CURRENT SITUATION**

The analysis delves into the number of interveners and duplication of roles in the cargo processing system from the loading Port, loading from the vessel at the Port of Mombasa, transportation to the Inland Container Depot-Nairobi (ICDN) and cargo release/ gate exits to the door steps of the cargo owners. The analysis brings out the factors contributing to the increased processing time and costs.

### **2.1 Duplication of roles by Government Agencies at the Port**

Currently, the following twenty-seven (27) agencies are operating at the Port of Mombasa which is contrary to international practices:

1. Kenya Ports Authority (KPA)
2. Kenya Revenue Authority (KRA)
3. Kenya Railways (KR)

4. Kenya Bureau of Standards (KEBS)
5. Kenya Plant Health Inspectorate Services (KEPHIS)
6. AFFA-Horticultural Crops Development Department
7. Pharmacy & Poisons Board (PPB)
8. Directorate of Veterinary Services (DVS)
9. Public Health Services (PHS)
10. AFFA-Tea Directorate Department
11. AFFA-Coffee Directorate
12. National Environmental Management Authority (NEMA)
13. National Bio Safety Authority (NBA)
14. Pest Control Products Board (PCPB)
15. AFFA- Sugar Directorate
16. Kenya Dairy Board (KDB)
17. Radiation Protection Board (RPB)
18. Anti-Counterfeit Agency (ACA)
19. Kenya Wild life services (KWS)
20. National Police Services (NPS)

21. Ministry Foreign Affairs and International Trade (MOFA)
22. DRC-OGEFREM
23. Nursing Council of Kenya (NCK)
24. Kenya Medical Laboratories Technicians and Technologists Board (KMLTTB)
25. Department of Fisheries (DF)
26. Directorate of Criminal Investigation (DCI)
27. National Intelligence Service (NIS)

The only processes required at the Port are cargo movement from vessel to the rail side, cargo loading, train marshalling, cargo quality inspection and customs clearance. The critical agencies required at the Port are:

1. Kenya Ports Authority (KPA)
2. Kenya Revenue Authority (KRA)
3. Kenya Railways (KR)
4. Kenya Bureau of Standards (KEBS)

Any other interventions could take place outside the Port in line with international practices to reduce inefficiencies.

## 2.2 Identification of parties and processes contributing to delays

### a) Time breakdown *as per sample* – *average / best case/ worst case/factors contributing to timelines*

ACTIVITY	AVERAGE TIME	BEST TIME	WORST TIME	FACTORS AFFECTING / CONTRIBUTING TO TIMELINES	RESPONSIBLE AGENCY
Movement from vessel to loading at the rail side	42.5 hours	0.03 hours	288 hours	<ul style="list-style-type: none"> <li>The existing policy to put containers on terminal hold without set time limits.</li> <li>Lack of implementation of First in First out (FIFO) model</li> <li>Inadequate operational equipment (terminal tractors) affecting cranes moves per hour</li> <li>Delay in submission of Material Safety Data Sheet (MSDS) by customers for loading of dangerous cargo</li> <li>All activities that take place involving container movement, from vessel to ICD, results in additional costs due to shipping line mark ups. (USD 70 -100)</li> </ul>	KPA
Marshalling, Transit and Railage to ICDN	20 hours	8.4 hours		<ul style="list-style-type: none"> <li>Lack of implementation of First In First Out (FIFO) model in railage out of the Port</li> <li>Delay in supply/availability of wagons at loading points</li> <li>Delay in communication to cargo owners on containers with imbalances</li> <li>The cost of returning empties for TBL cargo transported in the up direction via rail is an unnecessary additional cost</li> </ul>	KR
Lodging of manifest by shipping lines	24 hours before vessel arrival	48 hours before vessel arrival	3 hours before vessel arrival	<ul style="list-style-type: none"> <li>Late submission of manifest by shipping lines</li> <li>KRA system challenges impending lodgment of partial manifests</li> </ul>	KSAA (Shipping lines) KRA
Entry lodgment and payment by Agents	56 hours	-3 days (pre-clearance)	312 hours (13 days)	<ul style="list-style-type: none"> <li>Requirement for pre- verification negates the logic of the pre-arrival clearance (PAC) process</li> <li>Low uptake of pre-arrival clearance (PAC) programme by shippers</li> <li>Submission of incomplete declaration documents by Clearing agents which also lack relevant government approvals</li> </ul>	KIFWA (Clearing Agents) SCEA KRA

Customs processing and release	134 hours (5.6 days)	6 hours	552 hours (23 days)	<ul style="list-style-type: none"> <li>• Non adherence of 24-hour operations by all Partner Government Agencies (PGAs)</li> <li>• Undefined and lengthy multi agency processes extending to more than 14 days which is outside clearance timelines</li> <li>• Delays at the Document Processing Centre (DPC) attributed to multiple interventions by various agencies, quality of declarations by the clearing agents, valuation and other KRA stops.</li> <li>• Manual processes by critical agencies such as KEBS, ACA, NPS, Port Health etc.</li> </ul>	KRA Multi - Agency
Customs release to Cargo collection	156 hours (6.5 days)	6 hours	792 hours (33 days)	<ul style="list-style-type: none"> <li>• Delays in approval of waiver processing applications</li> <li>• Delay in location of containers at the yard</li> <li>• Delay in billing of invoices by KPA</li> <li>• Non-automation of gate clearance procedures</li> <li>• Non adherence of 24-hour operations</li> <li>• Image analysis delays at ICDN gates</li> </ul>	KRA KPA
Truck entry to truck loading and exit	7.2 hours	0.16 hours (10 minutes)	16 hours	<ul style="list-style-type: none"> <li>• Location of cleared containers for truck loading is done manually</li> <li>• Lack of truck parking areas</li> <li>• Limited accessibility to ICDN due to traffic congestion</li> </ul>	KPA
Loading of empties for railage	24hours	6 hours	24Hours	KPA to continually improve timelines for loading of empties	KPA
Movement of empties from ICDN to the Port Reitz and offloading to pre-stack	14hours	12 hours	14 hours	KR to continually improve timelines for movement and offloading of empties	KR
Movement from pre-stack at Port Reitz to vessel	12hours	2hours	24hours	<ul style="list-style-type: none"> <li>• Lack of communication from KR &amp; KPA to the clearing agents on delivery of empties from Nairobi to Port Reitz</li> <li>• KPA shunting cost of USD 50 (20ft) and USD 100 (40ft) for empty containers at the Port to empty container depots which is unnecessarily adding to the cost of transportation</li> </ul>	KPA/KR

## 2.3 Prevailing Cost Structure for Road and Rail Transportation

**Table 1: Road Transport rates from Mombasa to Nairobi**

From	To	20 FT < 20 Tones	20ft > 20 tones 40 FT
Mombasa	Nairobi	650	850

The average transportation cost by road is USD 650 for containers up to a maximum of 15 tons and USD 850 for 20ft containers above 15 tons and all 40ft containers.

**Table 2: Rail Transport rates from Mombasa to Nairobi**

ITEM	ACTUAL COST		
	20FT	40FT >20 tones	21 – 30 tones
Freight: Mombasa – Nairobi	500	700	750
KPA Remarshalling	110	165	
KPA Storage	180	360	
Transporters Last Mile*	250	350	375
KR Freight: Empty Return – Nairobi – Mombasa	100	100	
KPA Empty Handling	30	45	
Shunting from Port to Shipping line depot	50	100	
Shipping line margins	100	100	
Demurrage	100	200	
<b>Total Cost</b>	<b>1,420</b>	<b>2,120</b>	<b>2,185</b>

The observations made are that:

1. The average transport for 20ft and 40ft container from Mombasa to Nairobi by road is USD 650 and USD 850 respectively.
2. The average transport for rail transport for 20ft and 40ft container from Mombasa to Nairobi is USD 1,420 and USD 2,120 respectively.
3. The difference between road and rail for 20ft and 40ft amount to USD 770 (118% increase) and USD 1,270 (149% increase) respectively.
4. Additional costs are incurred due to re-marshalling, storage and demurrage. If removed, the cost of rail transport for 20ft and 40ft container will be USD 1,030 and USD 1,395/1,470, which is still high compared to road transport by USD 380 and USD 545 respectively.
5. If the cost of empty return by rail, shipping line margins and KPA shunting of empties to empty container depots are removed, the cost of 20ft will be USD 780 and 40ft will be USD 1,095/1,170.

### **3.0 PROPOSED COST STRUCTURES FOR RAIL TRANSPORT**

If the operational inefficiencies are addressed through adoption of operational guidelines by various Agencies, and other intervention strategies, *Table 3* shows the least cost structure for transportation of cargo by SGR that will enable loan repayment. *Table 4* shows that the cost structure can be reduced further by the Government taking over the loan principal repayment or interest and loan principal repayment. Furthermore, with zoning and provision of last mile, the cost structure can be managed.

**Table 3**  
**Scenario 1: Less the cost of inefficiencies**

ITEM	ACTUAL COST (USD)		
	20FT	40FT <20 tones tones	21-30 tones
Freight: Mombasa – Nairobi	500	700	750
KPA Remarshaling up to 4 days	0	0	
KPA Storage up to 4 days	0	0	
Transporters Last Mile*	150	200	
KR Freight: Empty Return from Nairobi to Mombasa for TBL cargo	0	0	
KPA Empty Handling	30	45	
Shunting from Port Reitz to pre-stack for TBL cargo	0	0	
Shipping line margins	0	0	
Demurrage	0	0	
<b>Total Cost</b>	<b>680</b>	<b>954</b>	<b>1,020</b>

The implementation of the operational guidelines will lead to comparable costs. The average transportation cost by road is USD 650 for containers up to a maximum of 15 tons and USD 850 for 20ft containers above 15 tons and all 40ft containers while the total rail transportation cost of US\$ 680 and US\$ 954-US\$ 1,20 for 20ft and 40ft containers respectively can be achieved.

**Table 4**  
**Scenario 2: Government takes over loan repayment**



<b>KRC three best case scenarios</b>		
	<b>Case 1</b>	Cost per TEU in Dollars
KR pays	Principal Loan	<b>1,101.6</b>
KR pays	Interest of the loan	
KR pays	Direct Operational cost	
	<b>Case 2</b>	
KR Pays	Interest rates	<b>501.9</b>
KR Pays	Direct operational cost	
GoK	Principal loan	
	<b>Case 3</b>	
KR Pays	Direct operational cost	<b>384.78</b>
GoK	Interest	
GoK	Principal loan	

### **3.1 Prevailing Industry Last Mile Rates**

	<b>REGION/ZONE</b>	<b>20FT container</b>	<b>40ft container</b>	<b>No. of trips</b>
1.	Nairobi Industrial Areas and its Environs	25,000	40,000	Round trip
2.	Mlolongo, CBD, Langata, Westlands, Ngara	30,000	40,000	Round trip
3.	Kasarani, Athi River, EPZ	30,000	35,000	Round trip
4.	Ruaka, Kiambu, Ongata Rongai, Kitengela, Kikuyu, Kiserian, Ngong	35,000	4,000	Round trip
5.	Limuru, Thika, Konza	45,000	50,000	Round trip
6.	Naivasha Nakuru	55,000	65,000	Round trip

### 3.2 Proposed Last Mile Pricing

S/NO	DISTANCE FROM NAIROBI – ICD	REGION / ZONE	Amount	No. of Trips
<b>A</b>	0-5 KM	Industrial Area, Airport North Road, Syokimau	Kes. 15,000	2 Round Trips
	6-10 KM	Lusaka Road, Mlolongo, CBD, Langata, Westlands, Ngara	Kes. 18,000	2 Round Trips
	11 – 15 KM	Baba Dogo	Kes.22,000	2 Round Trips
	16 – 25 KM	Kasarani, Athi River, EPZ	Kes. 27,000	1 Round Trip
	26 – 35 KM	Ruaka, Kiambu, Ongata Rongai, Kitengela, Kikuyu, Kiserian, Ngong	Kes. 37,000	1 Round Trip
	36 – 60 KM	Limuru, Thika, Konza	Kes. 40,000	1 Round Trip
<b>B</b>	Other Zones	Naivasha	Kes. 45,000	1 Round Trip
		Nakuru	Kes. 50,000	1 Round Trip
		Machakos	Kes. 45,000	1 Round Trip
		Eldoret	Kes. 70,000	1 Round Trip
		Kisumu	Kes. 70,000	1 Round Trip
		Kericho	Kes. 70,000	1 Round Trip
		Malaba	Kes. 90,000	1 Round Trip
		Jinja	USD. 1,100	1 Round Trip
		Kampala	USD. 1,300	1 Round Trip
Mbale	USD. 1,700	1 Round Trip		



## 4.0 OPERATIONAL AGENCY GUIDELINES

	Process	Operational Guidelines	Lead Implementing Agency
1.	Cargo movement from vessel to ICDN	<p><b>Critical agencies required at the Port</b></p> <ul style="list-style-type: none"> <li>- Kenya Ports Authority (KPA)</li> <li>- Kenya Railways (KR)</li> <li>- Kenya Revenue Authority (KRA)</li> <li>- Kenya Bureau of Standards (KEBS)</li> </ul> <ul style="list-style-type: none"> <li>• Manage Terminal hold to conform to 48 hour timelines from container discharge</li> <li>• Adopt FIFO model to avoid delays in transfer of container from vessel to rail side/wagon.</li> <li>• Increase the number of terminal tractors currently at 14 to 20 at the Port, the RTGs and RMGs at ICDN and improve on utilization/efficiency of all equipment</li> <li>• Mandatory submission of Material Safety Data Sheet (MSDS) by cargo owners to KR within 48 hours before vessel arrival</li> <li>• KR to promptly communicate to customers on requirements for movement of Dangerous Goods (DG) containers.</li> </ul>	KPA
2.	Marshalling, Transit and Railage to ICDN	<ul style="list-style-type: none"> <li>• Adopt first in first out (FIFO) model to avoid delays in railage to ICDN</li> <li>• KR to supply wagons at loading points within 1 hour of submission of cargo loading list</li> <li>• Communication by KR to cargo owners on location and necessary actions required within 30 minutes of detection of imbalances on containers</li> <li>• KR to remove additional cost of USD 100 return of empties from its tariff for cargo moved by rail in the up direction.</li> <li>• KR to remove USD 100 for return of empties from the Operations and Maintenance Contract as an operational cost.</li> <li>• KPA to remove USD 50/100 for shunting of empties from Port Reitz to pre-stack for TBL cargo</li> <li>• Marshalling, Transit and Railage to ICDN to be done in 10 hours</li> </ul>	KR

3.	Lodging of manifest by shipping lines	<ul style="list-style-type: none"> <li>• Lodging of manifest by shipping lines to be done 48 hours before vessel arrival</li> <li>• Manifest to be made available once the ship leaves the port of loading</li> <li>• KRA System configuration to allow lodgment of partial manifest</li> </ul>	Shipping lines
4.	Entry lodging and payment by Agents	<ul style="list-style-type: none"> <li>• Customers to use the pre-arrival process for expedited processing unless KRA requires pre-verification based on risk profiling</li> <li>• KRA to provide online guidelines on quality and complete documentation and declarations</li> <li>• All customers to abide by the enriched PVOC which should incorporate all agency requirements. Prior to enrichment, all approvals by other government agencies to be uploaded within 12 hours from receipt of request.</li> <li>• Entry lodging and payment by Agents to be done in 24 hours to facilitate customs release process</li> </ul>	Customers/KEPSA
5.	Customs processing and release	<ul style="list-style-type: none"> <li>• All parties to adhere to 24 hour operations</li> <li>• Strict adherence by all agencies to the allocated times for verification at ICDN scheduled for 8.30am, 11.00am and 3.00pm</li> <li>• Recognition of the Pre-export Verification of Conformity (PVoC) in issuance of Certificates of Conformity (COCs) to avoid unnecessary verifications and duplication of services by multi-agencies</li> <li>• KPA to scan all cargo on arrival at ICDN awaiting operationalization of the rail scanner in June 2019 to reduce the need for increased number of KRA physical verifications</li> <li>• Automation of process by all Agencies</li> <li>• Release of cargo awaiting laboratory tests results by KEBS under seal within 6 hour timeline required for customs processing</li> <li>• No additional costs to cargo owners arising from delays in government interventions beyond the agreed timelines</li> <li>• Government agencies delaying processes beyond agreed timelines to give rebates of 1% of the value of the goods</li> <li>• Investigations by customs to be done within the set timelines of cargo clearance of 6 hours</li> </ul>	KRA
6.	Necessary cargo interventions	<p><b>Critical agencies required at the Port to carry out the necessary cargo interventions are:</b></p> <ul style="list-style-type: none"> <li>- Kenya Ports Authority (KPA)</li> <li>- Kenya Railways (KR)</li> <li>- Kenya Revenue Authority (KRA)</li> </ul>	KPA

		<p>- Kenya Bureau of Standards (KEBS)</p> <p>Other adhoc cargo interventions to be carried out outside the Port.</p>	
7.	Use of Certificate of Conformity (CoC) as the only sole document for verification	<ul style="list-style-type: none"> <li>• Enriched CoCs, which incorporate all government agencies requirements and issued by agents contracted by KEBS, will be the only document to be relied upon for verification</li> <li>• Penalize non-compliant CoCs service providers by making it mandatory to provide professional liability insurance equivalent to 1% of the cargo value.</li> <li>• Automate KEBS clearance process and adoption of online releases instead of the current manual process.</li> <li>• Importers to ensure their suppliers are conversant with import quality requirements or approved specifications specified in relevant Kenya Standards and that their consignments are accompanied with a Certificate of Conformity (CoC) from the appointed PVoC Agents.</li> <li>• CoC to be used as a document for clearance at the port. Where sampling is done for surveillance and product/importer risk profiling, the consignment to be released under seal awaiting the test reports.</li> </ul>	KEBS
8.	Movement of non-essential personnel at Port/ICDN	Security to restrict movement of non-essential personnel in the Port and at ICDN	KPA
9.	Customs release to Cargo collection	<ul style="list-style-type: none"> <li>• Bulk messaging by customer to monitor status</li> <li>• Customers to provide trucks for pick within 6 hours upon customs release</li> <li>• Customers to use KPA/KRA reviewed criteria and guidelines for online and automatic waiver approval/rejection</li> <li>• KPA to embrace use of yard mapping and positioning of containers at ICDN</li> <li>• Interfacing of the three KPA systems (KWATOS, CIYOS, SAP) to provide end-to-end online operational services</li> <li>• Customers to use automated gate clearance process</li> <li>• KRA to rely on the reports from the scanning of containers by KPA upon arrival of the train for cargo release in place of the existing manual analysis of image reports at the gate</li> <li>• KEPSA/Shippers to develop and enforce Code of Conduct for business in respect of necessary cargo interventions</li> </ul>	Customers/KEPSA KPA KRA

10.	Truck entry to truck loading and exit	<ul style="list-style-type: none"> <li>• KPA to deploy all cargo handling equipment installed with Vehicle Mounted Terminals (VMTs) to handle cleared containers awaiting additional VTMs for other equipment at the yard.</li> <li>• KPA to be allowed to use Kenya Power way-leave land as a truck marshalling yard</li> <li>• Implementation of truck appointment system by KPA</li> <li>• Truck entry to truck loading and exit to be done within 20 minutes</li> <li>• Automation of service lanes at Gate A and B and provision of additional lanes and access gates at ICDN by KPA by 30<sup>th</sup> March 2019</li> <li>• Dualing of ICD road and Masai Road (KURA) and completion of Access Road A (KR) to the Southern By-Pass by June 2019.</li> </ul>	KPA
11.	Last mile booking and Truck appointment system	<ul style="list-style-type: none"> <li>• Trucks with tracking devices communicating with the Joint Monitoring System will be notified upon release of a container with an exact time of arrival at ICDN</li> <li>• KPA due process of gate-In and Gate-Out will be observed and followed</li> <li>• Truck will pick container and exit to clients premises in full view of the Joint monitoring Center</li> <li>• Cargo will be delivered and device returned by the driver</li> <li>• Approved last mile charges will apply for all trucks registered with KPA</li> </ul>	KPA
12.	Last mile SGR Freight Tracking system	<ul style="list-style-type: none"> <li>• A web based Joint SGR Freight Tracking system which uses GSM &amp; GPRS magnetic seals developed with assistance of Trademark East Africa (TMEA) shall be used by Kenya Revenue Authority, Kenya Ports Authority and Kenya Railways to track the set timelines for all agencies</li> <li>• All KPA registered trucks will be put on the platform and customers will be expected to download the Last Mile App on their smart phones to allow free entry and exit.</li> </ul>	KPA
13.	Joint Monitoring Center at the ICDN One-Stop Centre	The Joint Monitoring Center, which is currently in its pilot phase with 5000 container tracking units out of the expected 12,000 units, will be fully operationalized by June 2019.	KPA
14.	Bulk messaging and communication	<ul style="list-style-type: none"> <li>• KPA and KenTrade to provide bulk SMS for monitoring of cargo movement and communication to cargo owners</li> <li>• Customer care desk to enhance communication by way of email/sms upon arrival of importer's container</li> </ul>	KPA

15.	Loading of empties for railage at the ICDN	Loading of empties for railage to be done in 6 hours	KPA
16.	Movement of empties from ICDN to the Port Reitz and offloading to pre-stack	Movement of empties from ICDN to the Port Reitz and offloading to pre-stack done in not more than 18 hours	KR
17.	Movement of empties from pre-stack at Port Reitz to vessel	Movement of empties from pre-stack at Port Reitz to vessel done in 6 hours	KPA
18.	Management of long stay containers or cargo requiring adhoc interventions	<ul style="list-style-type: none"> <li>• KPA use leased peripheral facilities of Multiple Inland Container Depot (MICD), Mitchell Cotts and Makongeni for the movement and storage of long stay containers.</li> <li>• KPA moves cargo requiring adhoc interventions by multi agencies/ any investigative agency to Multiple Inland Container Depot (MICD), Makongeni, Mitchell Cotts or the importers warehouse.</li> <li>• Containers targeted for further tests and analysis or 100% verification to be undertaken in the peripheral facilities and stripping of containers targeted for 100% verification to be outsourced</li> <li>• Any necessary adhoc tests and analysis, 100% verification and investigations to be completed within set timelines of a maximum of 14 days, upon identification of the need for interventions/collection of test samples, to avoid congestion of the facilities</li> </ul>	KPA
19.	Gazettement of Peripheral customs facilities for other interventions	<ul style="list-style-type: none"> <li>• Gazettement of the KPA leased facilities, Multiple Inland Container Depot (MICD), Makongeni and Mitchell Cotts.</li> <li>• Gazettement of any other facilities owned by the private sector suitable for handling cargo within Nairobi.</li> </ul>	KRA
20.	Partial manifest and pre clearance regime	KRA to allow shipping lines to lodge partial manifest and adopt the pre-arrival clearance regime	KRA
21.	Auctioning and destruction of long stay cargo	<ul style="list-style-type: none"> <li>• KRA to move long stay cargo targeted for auctioning or destruction to customs facilities in Nairobi</li> <li>• KRA to undertake monthly auctioning of long stay containers</li> <li>• KRA to undertake periodic destruction of containers within 90 days.</li> </ul>	KRA



22.	Destruction of condemned cargo	KPA to ensure that the Agency responsible for condemnation removes the cargo from the Port within 5 days, and the destruction is done at the cost of the importer or carrier.	KPA
23.	Review of charges	PGAs/Private sector players should not arbitrarily increase charges as it increases the cost of doing business in the country	All PGAs KEPSA Shipping lines

## 5.0 STRATEGIES REQUIRED TO ENHANCE PROCESSES AND AID IMPLEMENTATION OF THE OPERATIONAL GUIDELINES

	Process	Action/Strategy required to enhance processes	Lead Implementing Agency
1.	Cargo movement from vessel to ICDN	<p><b>Immediate</b></p> <ul style="list-style-type: none"> <li>KPA to procure 6 additional terminal tractors to increase the number to 20 at the Port by 30<sup>th</sup> March 2019</li> </ul> <p><b>Long Term</b></p> <ul style="list-style-type: none"> <li>Procurement of RTGs and RMGs at ICDN by June 2020</li> </ul>	KPA
2.	Marshalling, Transit and Railage to ICDN	<p><b>Immediate</b></p> <ul style="list-style-type: none"> <li>KR to review tariff book and the Operations and Maintenance (O&amp;M) Contract to remove the cost of USD 100 return of empties from its tariff for cargo moved by rail in the up direction by 15<sup>th</sup> March 2019</li> <li>KPA to review tariff book to remove USD 50/100 for shunting of empties from Port Reitz to pre-stack for TBL cargo by 15<sup>th</sup> March 2019</li> <li>KPA/KMA to engage shipping lines to remove the shipping line mark ups cost of USD 100</li> </ul> <p><b>Medium Term</b></p> <ul style="list-style-type: none"> <li>KR to review tariff book and the O&amp;M Contract to make it more industry compliant by 30<sup>th</sup> June 2019</li> </ul>	KR KPA KPA/KMA KR
3.	Lodging of manifest by shipping lines	<p><b>Immediate</b></p> <ul style="list-style-type: none"> <li>KPA to engage Shipping lines for the lodgment of manifest 48hours before vessel arrival by 30<sup>th</sup> March 2019</li> </ul> <p><b>Medium term</b></p>	KPA KRA

		<ul style="list-style-type: none"> <li>• KRA System configuration to allow lodgment of partial manifest by June 2019</li> </ul>	
4.	Entry lodging and payment by Agents	<p><b>Immediate</b></p> <ul style="list-style-type: none"> <li>• KRA/KEPSA/KEBS to communicate/promote to customers the use the pre-arrival process and the need to abide by the enriched PVOC by 15<sup>th</sup> March 2019</li> <li>• KRA to provide online guidelines on quality and complete documentation and declarations by 15<sup>th</sup> March 2019</li> </ul>	<p>KRA/KEPSA/KEBS</p> <p>KRA</p>
5.	Customs processing and release	<p><b>Immediate</b></p> <ul style="list-style-type: none"> <li>• KEBS to issue notice to customers and Partner Government Agencies to recognize the Pre-export Verification of Conformity (PVoC) in issuance of Certificates of Conformity (COCs)</li> </ul> <p><b>Medium Term</b></p> <ul style="list-style-type: none"> <li>• KRA/KR to operationalize the rail scanner by June 2019</li> <li>• KEBS to automate processes in line with all other critical agencies' systems by December 2019</li> <li>• All non-critical government agencies to automate their processes for uploading of approvals online by December 2019</li> </ul>	<p>KEBS</p> <p>KRA/KR</p> <p>KEBS</p>
6.	Use of Certificate of Conformity (CoC) as the only sole document for verification	<p><b>Immediate</b></p> <ul style="list-style-type: none"> <li>• All government agencies to provide their requirements to KEBS to enrich the CoCs which will be the only document to be relied upon for verification by 15<sup>th</sup> March 2019</li> <li>• KEBS to incorporate in the contract for service providers a provision for mandatory professional liability insurance equivalent to 1% of the cargo value by 15<sup>th</sup> March, 2019.</li> </ul>	<p>KEBS/Multi-Agency team</p>
7.	Customs release to Cargo collection	<p><b>Immediate</b></p> <ul style="list-style-type: none"> <li>• KPA to engage KenTrade to develop bulk messaging and sensitize customers on its use by 30<sup>th</sup> March 2019</li> <li>• KPA/KRA to review criteria and guidelines for online and automatic waiver approval/rejection by 30<sup>th</sup> March, 2019</li> <li>• KPA to interface the three KPA systems (KWATOS, CIYOS, SAP) to provide end-to-end online operational services by 15<sup>th</sup> March 2019</li> <li>• KPA/KRA to scan all containers upon arrival of the train and submit image reports online to KRA for customs release by 30<sup>th</sup> March 2019</li> </ul>	<p>Customers/KEPSA/KPA/KRA</p> <p>KenTrade</p>

		<ul style="list-style-type: none"> <li>• KEPESA/Shippers to develop and enforce Code of Conduct for business in respect of necessary cargo interventions by 30<sup>th</sup> March 2019</li> </ul> <p><b>Medium Term</b></p> <ul style="list-style-type: none"> <li>• KPA to complete full operationalization of yard mapping and positioning of containers at ICDN by 30<sup>th</sup> June 2019</li> </ul>	
8.	Truck entry to truck loading and exit	<p><b>Immediate</b></p> <ul style="list-style-type: none"> <li>• KPA to deploy all cargo handling equipment installed with Vehicle Mounted Terminals (VMTs) to handle cleared containers awaiting additional VTMs for other equipment at the yard by 15<sup>th</sup> March 2019</li> <li>• KPA to increase and automate service lanes at Gate A and B and provide additional access gate in ICDN by 30<sup>th</sup> March 2019</li> </ul> <p><b>Medium Term</b></p> <ul style="list-style-type: none"> <li>• KPA to fast-track the use of the Kenya Power way-leave land as a truck marshalling yard by 1<sup>st</sup> March 2019.</li> <li>• KPA to develop truck appointment system by 30<sup>th</sup> May 2019.</li> <li>• KURA to complete works in dualing of ICD road and Masai Road by 30<sup>th</sup> June 2019</li> <li>• KR to complete works on Access Road A to the Southern By-Pass by 30<sup>th</sup> June 2019.</li> </ul>	KPA
9.	Last mile service provision	<p><b>Medium Term</b></p> <ul style="list-style-type: none"> <li>• KPA to ensure all registered trucks pick containers with tracking devices</li> <li>• KPA to ensure that trucks are registered on the platform and customers download the Last Mile App on their smart phones to allow free entry and exit.</li> <li>• KPA to ensure there are adequate security features for the tracking units</li> <li>• KPA to ensure that approved last mile charges are charged by registered trucks.</li> </ul>	KPA
10.	Joint Monitoring Center at the ICDN One-Stop Centre	<p><b>Medium Term</b></p> <p>KPA to fully operationalize the Joint Monitoring Center by 30<sup>th</sup> June 2019.</p>	KPA

11.	Management of long stay containers or cargo requiring adhoc interventions	<p><b>Immediate</b> KPA to lease peripheral facilities of Multiple Inland Container Depot (MICD), Mitchell Cotts and Makongeni for the movement and storage of long stay containers by 1<sup>st</sup> March 2019</p>	KPA/KRA
12.	Gazettement of Peripheral customs facilities for other interventions	<p><b>Immediate</b> KRA to gazette the KPA leased facilities, Multiple Inland Container Depot (MICD), Makongeni and Mitchell Cotts by 1<sup>st</sup> March 2019</p> <p><b>Long Term</b> Private sector to make request to KPA/KRA for gazettement of any other facilities within Nairobi on need basis</p>	KRA/KPA/KEPSA
13.	Review of charges	PGAs/Private sector players should ensure that there is no arbitrary increase in charges as it increases the cost of doing business in the country	All PGAs KEPSA Shipping lines

## **6.0 RECOMMENDATION**

1. The Head of Public Service to issue a letter instructing all Partner Government Agencies to work as per the Operational Guidelines and implement the required action/strategy for enhancing processes within the agreed timelines.
2. Government to constitute an Inter-Agency Monitoring Team to ensure Operational Guidelines and strategies are implemented.