



# **KENYA MARITIME AUTHORITY**

## **FIVE-YEAR STRATEGIC PLAN**

**(2006 -2011)**



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## **1.0 Part 1**

### **1.1 Abbreviations and Acronyms**

EAC	East Africa Community
ERSWEC	Economic Recovery Strategy for Wealth and Employment Creation, 2003 - 2007
COMESA	Common Market for Eastern and Southern Africa
ICT	Information Communications Technology
ILO	International Labour Organization
IMO	International Maritime Organization
ISPS	International Ship and Port Facility Security Code
ISCOS	Intergovernmental Standing Committee on Shipping
KMA	Kenya Maritime Authority
KCAA	Kenya Civil Aviation Authority
KPA	Kenya Ports Authority
MARPOL 73/78	The International Convention for Prevention of Pollution from Ships, 1973 as modified by the Protocol of 1978 relating thereto;
MOT	Ministry of Transport
MRCC	Maritime Rescue Coordination Centre
MSA	Merchant Shipping Act, 1967
MSS	Merchant Shipping Superintendent
NEMA	National Environmental Management Agency
NORCP	National Oil Spill Response Contingency Plan
OPRC	The International Convention on Oil Pollution, Preparedness, Response and Cooperation, (OPRC) 1990
R&D	Research and Development
SAR	Search and Rescue
SOLAS	The International Convention for the Safety of Life at Sea, (SOLAS) 1974
STCW	The International Convention on Standards of Training, Certification and Watch Keeping, for Seafarers (STCW) 1982
TTCA	Transit Transport Coordination Authority, (Northern Corridor)
UN	United Nations
UNCLOS	United Nations Convention on the Law of the Sea (UNCLOS), 1982
UNCTAD	United Nations Committee on Trade and Development
NGOs	Non-Governmental Organizations
ISM	International Safety Management Code (ISM Code)
IMDG	International Maritime Dangerous Goods (IMDG) Code
IOMOU	Indian Ocean Memorandum of Understanding
ISO	International Organization for standardization (ISO)
EMCA	Environmental Management and Coordination Act; Act No. 8 of 1999
INCOTERMS	International Commercial Terms

RMRCC  
RVR

Regional Marine Rescue Co-ordination Centre  
Rift Valley Railways

## **1.2 Definition of Terms**

<b><u>Term</u></b>	<b><u>Definition</u></b>
Core Values	An organization's culture is a system of shared values that provide a sense of identity and solidarity. Core values act as a social "glue" that binds people together into a common purpose. A strong organizational culture is characterized by employees sharing core values.
Key Result Areas	These are a combination of key results to be pursued and which the Authority will focus on, in order to realize its strategic objectives.
Vision	A statement expressing the organization's strategic intent on which its energies and resources are focused to achieve a desirable future. It expresses the aspirations of the executive leadership.
Mission	A broadly framed and enduring statement. It formally states the basic reason or purpose for the existence of the organization, the nature of business it is in and the customers it seeks to serve and satisfy. Answers the question – What business are we in?
Situational Analysis	The critical assessment of the environment in which the Authority operates. It enshrines the analysis of the SWOT (Strength, Weaknesses, Opportunities and Threats) and the PESTLE (Political, Economic, Social, Technological, Legal and Environmental) situations surrounding the Authority. In this context, Kenya Maritime Authority will focus on four elements namely: Government Agenda, External Environmental Influence and Trends, Internal Environment and Responses to the Associated Challenges.
Strategic Action Plan	Sets out the parameters that lead to the fulfillment of the Authority's Vision and Goals. It contains Strategic Objectives, Strategies and Service Delivery Targets, with defined key performance indicators, timelines and assignment of responsibilities.
Strategic Objectives	Broad long-term targets designed to achieve the Authority's mission and the realization of its vision. They are time bound, measurable and results oriented.
Strategy	Method and/or procedure for achieving the Strategic Objectives.

Port State Control	Responsibility or obligation of a port State to verify whether foreign flag vessels calling at Port of a state comply with applicable International Maritime Conventions.
Flag State Responsibility	A national obligation of a State to ensure that vessels in its register comply with the provisions of relevant national and international instruments.
Performance Indicator	The measure used to assess the performance of the Authority in service delivery.

### **1.3 Foreword**

The creation of Kenya Maritime Authority in June 2004 marked a defining moment in the maritime history of Kenya. It formally signaled the country's commitment and readiness to claim its position among the world maritime nations. The Authority was the first building block towards creating the necessary structures to achieve that ambition.

The Board of Directors was appointed in January 2005 and without hesitation signed a performance contract with the Government for the year 2005/2006. Obviously, for the Authority to achieve agreed performance targets a plan of action was required and an initial draft was quickly put together which guided performance related activities of the Authority with a more than fair measure of success. Chief among the performance targets under the contract was the recruitment of qualified staff to replace seconded personnel from Kenya Ports Authority (KPA), and finalization of the Strategic Plan. Both exercises are nearing completion and it is largely due to the superb efforts of the management and staff already on board that the current document has come into being. The Board of Directors is indebted to the Director General and her team for the good performance.

The broad mandate of KMA as spelt out in the Kenya Maritime Authority Act is to regulate, coordinate and oversee maritime affairs both at sea and inland waters. Thus, KMA is expected to enforce an effective regulatory regime on all waters under its jurisdiction for security and safety, protection against pollution and promotion of local participation. Anticipated activities to achieve these objectives are set out in the strategic plan and the Board will place at the disposal of management, adequate resources and leadership to successfully attain them.

KMA's avenues for generating its own revenue are limited and the Authority depends largely on Government grants to fund most of its activities. The Authority is determined to minimize this dependence by providing quality service to its clients for which appropriate fees may be charged without making such services unaffordable. In the efforts towards financial self-sufficiency, the Board will enforce the principles of sound accounting and cost cutting.

The Strategic Plan recognizes Government's commitment to good governance and effective service delivery. The activities set out in the Plan are designed to ensure corporate and individual accountability, sensitivity to client and employee needs and to foster an environment for the creation of employment and wealth.

Kenya Maritime Authority fully appreciates the value of consultation and cooperation and that as a regulatory agency, a policy of the widest possible inclusiveness will enhance its ability to attain targets set in the Strategic Plan. The Board will promote the twin spirit of cooperation and consultation and encourage management to work closely with Government, other public institutions, relevant stakeholders and the wider public.

During the planned period of the Strategic Plan, situations and trends may change, making it necessary to review and if need be, revise the plan. The Board will oversee such reviews and guide as necessary while ensuring that the Authority remains focused on set strategic objectives and true to its vision and mission.

**Col. (rtd) J.N. Nguru, EBS,  
CHAIRMAN**

## **1.4 Preface**

The process of drafting the first Strategic Plan for Kenya Maritime Authority (KMA) was initiated after the Authority was established in 2004. This document is the culmination of a process that commenced soon after the finalization and signing of the first Performance Contract with the Ministry of Transport in June 2005. Revision of the first draft has been an ongoing process leading to the current plan.

The process of preparing this Strategic Plan has indeed been a great learning process and an eye opener for the Management Team as it has enabled us to obtain clarity on the roles and responsibilities of KMA. This clarity of purpose is succinctly captured in the Authority's mission statement.

It is my humble desire as the CEO that this mission translates into individual responsibility and accountability to every staff member of the Authority, beginning with myself and cascading to all levels of staff. Within a specific timeframe, each employee of the Authority must have a clear picture of the expected results, which must be demonstrated in performance and service delivery. This will be reflected in the prudent and efficient usage of the Authority's resources and assets. In that way, we will be able to demonstrate true accountability, responsibility and transparency.

To this effect, we have identified a number of key result areas (KRAs) where the Authority's resources will be mobilized and directed during the Strategic Plan period. We are determined to play a facilitating role in the growth of the maritime industry in Kenya and have set an ambitious but attainable vision and mission. All employees are expected to internalize the set of values we have identified to enable realization of these objectives.

Heads of department will be expected to translate the strategic action plans into departmental work plans based on the specific KRAs. This will provide the pillars for departmental performance evaluation and staff performance appraisals.

The implementation of the Strategic Plan will be sequenced and monitored to enable adequate feedback and timely remedial/corrective measures. To this end, I take this opportunity to invite all stakeholders in the maritime industry to join us at KMA as we embark on the tasks laid out ahead. With the support of our stakeholders, our vision will become a reality in a shorter span of time.

**Nancy W. Karigithu (Mrs.)**  
**DIRECTOR GENERAL**

## **1.5 Executive Summary**

Kenya Maritime Authority was established with the mandate to regulate, coordinate and oversee activities in the maritime industry for maximum socio-economic benefits in line with national standards and international conventions. The Authority has developed this Strategic Plan to guide its operations from the years 2006 to 2011. The Plan takes cognizance of the responsibilities of maintaining safe and secure environment, prevention of pollution and promoting local participation in the maritime industry.

The plan is based on the functions of the Authority as set out in the Kenya Maritime Authority Act, 2006. It takes cognizance of the Government's priority to improve governance and delivery of service in all sectors of the economy in line with the wider program set out in the Economic Recovery Strategy for Wealth and Employment Creation (ERSWEC).

In realizing the Authority's vision and mission, challenges emanating from both the internal and external environment were analyzed and the strategies developed to address the challenges and spur the Authority to deliver its mandate. There are twelve (12) key result areas (KRAs) earmarked for the Strategic Plan period with corresponding objectives, strategies, activities, timelines, key performance indicators, outputs, outcomes and budgetary projections.

The detailed action plans will act as the tools for monitoring the implementation progress of the Strategic Plan. Other specific tasks have also been designed to strengthen the monitoring and evaluation process.

Taking the challenges into account and being cognizant of its mission and vision, the core values, which will guide the Authority's working environment, were identified and will be internalized in order to facilitate the realization of the Authority's set goals.

An organizational structure was developed to ensure proper alignment of human resource with the Authority's mission and core functions. The size of the structure is in line with the Authority's role as a facilitator of activities in the maritime industry.

To accomplish the strategic plan, the estimated financial resources required over the five-year period will be Kshs. 1 (One) Billion. In view of the current financial support from the government, strategies are included in this plan to reduce the gap between government subvention and the Authority's own revenue.

## **2.0 Part 2**

### **2.1 Institutional Background**

Bordering the Indian Ocean between Somalia and Tanzania, Kenya's coastline measures about 600 kilometers in length. Within the country are also inland waterways that include Lakes Turkana, Baringo, Naivasha and Victoria. Concerns on marine environment relate to water pollution from ship operational wastes, urban and industrial wastes, degradation of water quality from increased use of pesticides and fertilizers, deforestation, soil erosion and desertification.

Fishing is an important economic activity and a valuable source of protein. Six seagoing fishing vessels of slightly above 1,000 GRT (Gross Registered Tonnage) are recorded on the Kenya Ships Register but most fishing is undertaken by artisanal fishermen. Only about 10% of the traditional fishing craft is motorized with the rest comprising of small non-motorized boats such as out-riggers, dhows and planked pirogues.

The protection of the marine environment and living resources is very important to Kenya's economy as she relies heavily on tourism and fisheries both, of which would be adversely affected by any oil/chemical pollution incident on her shores or inland waters. Kenya also relies almost exclusively on shipping for her imports and exports.

It is estimated that 50 ships of various types are in the major shipping lanes off the Kenyan coast at any given time. Up to ten of these are likely to be oil tankers with displacements ranging from 50,000 to 250,000 tons. The Mombasa port plays an important role in servicing the international trade needs of the land-locked countries of Uganda, Democratic Republic of Congo, Rwanda, Burundi, Southern Sudan and to some extent, Ethiopia and Somalia. The transit traffic to these destinations passes through what is commonly referred to as the "Northern Corridor."

In pursuit of its policy on maritime transport and to further strengthen its maritime administration, the Government of Kenya established Kenya Maritime Authority (KMA) in 2004, for the purpose of transferring responsibility over shipping concerns from Kenya Ports Authority to an autonomous State Corporation. Thus KMA is responsible for Port and Flag State implementation of various international instruments relating to maritime transport. The Authority aims to broaden and modernize the institutional and legal framework for the implementation of maritime safety, security and the protection of the marine environment.

National maritime legislation is the primary tool for attaining international standards in safety and security and the preservation of the marine environment. Through legislation and related regulations the Government enforces international maritime conventions, especially those emanating from the International Maritime Organization (IMO) and International Labour Organization (ILO).

A relevant development to KMA's mandate and activities is the Kenya Government's decision on the private sector's involvement in the operations of Mombasa Port. In this

context, there shall be a need to update and revise national commercial maritime legislation to complement the activities of KMA by taking on board recent developments in the international maritime field. Commercial Maritime legislation will also help the Government to enhance the development of an international shipping industry as an engine to achieve objectives under national development programs like the new just ending Economic Recovery Strategy for Wealth & Employment Creation but also the Vision 2030 and the attainment of the United Nations Millenium Development Goals (MDGs).

The principle statutes that guide the operations of KMA are the Kenya Maritime Authority Act, 2006 and the Merchant Shipping Act, 1967 (Cap 389) as amended. Establishment of KMA therefore marked a major milestone in Kenya's maritime industry.

**2.2 Mandate**

The mandate of Kenya Maritime Authority as provided for in KMA Act 2006 is *“to regulate, co-ordinate and oversee maritime affairs in the country”*.

Scope of the mandate

Regulatory mandate	<ul style="list-style-type: none"> <li>- Strengthen maritime administration in the country through enhancement of regulatory and institutional capacities for effective Flag State Implementation and Port State Control including ship surveying/inspection;</li> <li>- Foster effective implementation of international maritime conventions and other mandatory instruments, with particular emphasis on the SOLAS, MARPOL, SAR and STCW Conventions, ISM and IMDG Codes;</li> <li>- Support for the establishment of independent Admiralty courts and regulatory framework for the adjudication of maritime claims in Kenya and in further support of objective one above;</li> </ul>
Coordination	<ul style="list-style-type: none"> <li>- Provide facilitative/leading and coordinating role in SAR, Oil Spill Response, IOMOU activities and ISPS code;</li> </ul>
Oversight	<ul style="list-style-type: none"> <li>- Promote, nurture and domesticate liberalization in the maritime industry.</li> </ul>

**2.3 Vision**

To be a world-class maritime administration

**2.4 Mission**

To regulate, co-ordinate and oversee maritime affairs through ensuring safety of life at sea, security of ships and port facilities and the protection of marine environment for the socio-economic benefit of stakeholders.

## **2.5 Core Values**

In pursuit of the above vision and mission, KMA will be guided by the following corporate values: -

### **2.5.1 Competent and Motivated Workforce**

The Authority will ensure that it puts in place a human resource development strategy that will attract and retain individuals with relevant competencies.

### **2.5.2 Customer Satisfaction**

The Authority will endeavor to consistently provide quality services and an enabling environment to its clients.

### **2.5.3 Professionalism and Integrity**

The Authority will develop standards and systems that will guarantee the highest possible quality of service.

### **2.5.4 Innovativeness**

The Authority will encourage creativity among the staff, embrace evolving technology and adaptation to change.

### **2.5.6 Corporate Governance**

The Authority will promote communication and dissemination of appropriate information. It will also adopt the principles and best practices of good corporate governance and apply impartiality, transparency and accountability in provision of service.

### **2.5.7 Team Work**

The Authority will inculcate the culture of team work in its management style

### **3.0 Functions, Key Outputs and Processes of KMA**

#### **3.1 The Functions of KMA**

- i. Co-ordinate the implementation of policies relating to maritime affairs and promote the integration of such policies into the national development projects;
- ii. Advise the Government on legislative and other measures necessary for the implementation of relevant international conventions, treaties, agreements to which Kenya is a party;
- iii. Undertake and co-ordinate research, investigations and surveys in the maritime field;
- iv. Discharge Flag and Port State responsibilities in an efficient and effective manner, having regard to international maritime conventions, treaties, agreements and other international instruments;
- v. Develop, co-ordinate and manage a national oil spill contingency plan for both coastal and inland waters and shall in the discharge of this responsibility be designated as the “competent authority”;
- vi. Maintain and administer a Ships Register with a view to enhancing domestication and participation of the national and international ship owners;
- vii. Deal with matters pertaining to maritime search and rescue and co-ordinate the activities of the Kenya Ports Authority, the Kenya Navy and any other body engaged during search and rescue operations;
- viii. Enforce safety of shipping including compliance with construction regulations, maintenance of safety standards and safety of navigation rules;
- ix. Conduct regular inspections of ships to ensure maritime safety and prevention of maritime pollution;
- x. Oversee matters pertaining to training, recruitment and welfare of seafarers;
- xi. Plan, monitor and evaluate training programmes to ensure conformity with standards laid down in international maritime conventions and for purposes of certification and accreditation;
- xii. Conduct investigations into maritime casualties including wreck;
- xiii. Undertake enquiries with respect to charges of incompetence and misconduct on the part of seafarers;

- xiv. Ensure in collaboration with such other public agencies and institutions, the prevention of marine source pollution, protection of the marine environment and response to marine environment incidents;
- xv. Regulate activities with regard to shipping in the inland waterways including safety of navigation;
- xvi. Perform such other functions as the Minister may from time to time assign the Authority.

### **3.2 Key Outputs and Processes**

KMA will ensure implementation of policies for guiding the growth of the maritime industry through regulation and co-ordination of maritime activities in the country. This requires establishment of an appropriate regulatory framework for stakeholders as well as development of its internal capacity to perform.

As part of the strategic planning process, the Authority has identified Key Outputs and related Processes to enable it undertake its mandate in the industry. These are summarized in the following table.

#### **Key Outputs and Processes**

<b>Outputs</b>	<b>Key Processes</b>
Regulatory framework developed	<ul style="list-style-type: none"> <li>▪ Regulatory needs identified</li> <li>▪ Legal framework developed including enactment of the outstanding maritime bills</li> <li>▪ Enforcement rules and regulations published</li> <li>▪ Legal implementation capacity of the Authority developed</li> <li>▪ Compliance monitored</li> </ul>
Institutional capacity developed	<ul style="list-style-type: none"> <li>▪ Organizational structure developed, approved and posts filled</li> <li>▪ Management rules and procedures published</li> <li>▪ Training needs identified and satisfied</li> <li>▪ Benchmarking and standardization (ISO Certification) operations established</li> <li>▪ Adequate physical facilities and equipment provided</li> <li>▪ Communication network operational</li> <li>▪ KMA branch office in Kisumu established</li> </ul>

**Key Outputs and Processes**

<b>Outputs</b>	<b>Key Processes</b>
Financial stability and management achieved	<ul style="list-style-type: none"> <li>▪ Merchant Shipping Superintendent account reconciled and management assumed by KMA</li> <li>▪ Shipping fees reviewed and the new rates implemented</li> <li>▪ Budgeting, accounting and financial reporting systems developed</li> <li>▪ Additional service driven sources of revenue identified and harnessed.</li> <li>▪ Internal audit system established</li> <li>▪ Financial management procedures and systems developed</li> </ul>
Security of Ships and Port facilities enforced	<ul style="list-style-type: none"> <li>▪ ISPS Code implemented</li> <li>▪ Security plans for Kenyan ports facilities published</li> <li>▪ Ship identification and reporting system in Kenyan waters established</li> </ul>
Maritime safety improved	<ul style="list-style-type: none"> <li>▪ Plans for Vessel Traffic Systems and the enforcement procedures published</li> <li>▪ Organizational structures, procedures and implementation of SAR 1979 convention published</li> <li>▪ SAR plans developed and published</li> <li>▪ Port State Control and Flag State implementation enforced</li> <li>▪ Global Maritime Distress and Safety Systems in place</li> <li>▪ Rules and regulations for transport and leisure crafts at the coast and inland waters published</li> </ul>
Marine environment protected	<ul style="list-style-type: none"> <li>▪ Oil pollution legislation drafted</li> <li>▪ National marine Oil Spill Response contingency plan for coastal and inland waters finalized and published</li> <li>▪ Rules for monitoring oil pollution published</li> <li>▪ System for spotting and reporting oil spills developed</li> <li>▪ UNCLOS, MARPOL and London convention enforced</li> </ul>

**Key Outputs and Processes**

<b>Outputs</b>	<b>Key Processes</b>
Socio-economic benefits from commercial maritime activities optimized	<ul style="list-style-type: none"> <li>▪ Rules and regulations to maximize economic benefits from international shipping reviewed and implemented</li> <li>▪ Incentives for ships to call at Kenyan ports in place</li> <li>▪ National capacity and enabling environment for provision of auxiliary maritime services developed</li> <li>▪ Charges for maritime transport services rationalized</li> <li>▪ Legal notices No. 175 and 127 on use of appropriate shipment terms complied with</li> </ul>
International standards in maritime education and training achieved	<ul style="list-style-type: none"> <li>▪ Infrastructure for training of maritime support service providers developed</li> <li>▪ International standards in maritime training ensured</li> </ul>
A good corporate image projected	<ul style="list-style-type: none"> <li>▪ Customer care strategies developed</li> <li>▪ Corporate social responsibility adopted</li> <li>▪ Service charter developed</li> <li>▪ Periodic public awareness campaigns conducted</li> <li>▪ High standards of facilities and services maintained</li> <li>▪ Corporate identity promoted</li> </ul>
Research and development activities undertaken	<ul style="list-style-type: none"> <li>▪ Maritime information resource centre established</li> <li>▪ Research needs identified</li> <li>▪ Research and development policy developed</li> <li>▪ Technical assistance identified and solicited</li> <li>▪ Identified research findings implemented</li> <li>▪ Post implementation evaluation undertaken</li> </ul>
Information and communication technology adopted	<ul style="list-style-type: none"> <li>▪ ICT policy developed</li> <li>▪ ICT requirements identified</li> <li>▪ ICT projects implemented</li> </ul>

### **3.3 Rationale for Strategic Plan**

The Government has embarked on a programme of comprehensive public sector reforms aimed at improving efficiency in the delivery of public services. Each Government organization is required to prepare a strategic plan to achieve this objective.

In achieving its mission, KMA has faced a number of challenges both internal and external. These include low appreciation of the new concept of regulation by industry players, inadequate office accommodation and lack of staff among others.

To address these challenges, there was need to adopt a coordinated approach. To this effect the Authority has developed a strategic plan. The plan has identified twelve key result areas, which have been broken down into goals and strategies. The various activities to be undertaken within defined timelines and corresponding key performance indicators with assignment of responsibilities as appropriate.

## **4.0 Situational Analysis**

In the formulation of the Authority's goals and objectives for the Strategic Plan period, it was necessary to analyze the operational environment in order to identify factors and challenges likely to affect its ability to achieve its mission. This situational analysis focused on the Government Agenda, external environment, internal environment, response to challenges and identification of key stakeholders.

### **4.1 Government Agenda**

The Government's aim is to accelerate economic growth and productivity in all sectors to alleviate poverty. To achieve this, the Government has prepared the Economic Recovery Strategy for Wealth and Employment Creation (ERSWEC 2003 – 2007). KMA will enhance contribution from the maritime industry by improving the efficiency of water transport and employment opportunities.

The Authority has therefore developed strategies and activities, which are in line with the Government Agenda.

### **4.2 External Analysis**

As a young institution, KMA faces a number of challenges that require careful consideration of its working environment. This involves careful analysis and introspection to identify the external factors that have the potential of either accelerating or impeding the Authority's performance. The External Environmental Analysis has focused on the political, legal, economic, physical, socio-cultural and technological factors.

#### **4.2.1 Policy**

The Authority is a beneficiary of the Government commitment to create a clear policy for guiding the growth of the maritime industry as well as complying with the international demand for institutionalized approach to maritime regulation. The Government spearheaded seminars aimed at eliminating duplication of roles with other existing institutions. This resulted in the establishment of clear demarcation of responsibilities. In order to enhance functions of the Authority further, support is expected in instituting the necessary outstanding legal requirements.

#### **4.2.2 Legal**

The State Corporations Act, KMA Act. 2006, Merchant Shipping Act, Environment Management and Coordination Act (EMCA) and Maritime Security Regulations provide the necessary legal framework within which KMA operates. However, there is need for improvement of the current legal framework through enactment of the Merchant Shipping Bill and the Marine Pollution Bill.

#### **4.2.3 Economic**

Port performance indicators depict good economic prospects for the growth of the maritime industry in Kenya. KMA will be at the forefront in nurturing this growth for maximum national socio-economic benefit. The Authority is required to streamline and create an orderly environment for the various activities in inland waters in line with its mandate. This will provide great potential for broadening of its revenue base.

#### **4.2.4 Socio-Cultural**

KMA recognizes the needs of the communities within which it operates. It has incorporated the tenets of corporate social responsibility in its operations and will maintain involvement in various activities to this end.

#### **4.2.5 Technological**

The maritime industry is quite dynamic. Ship design, equipment, transport logistics and information technology are constantly changing. The challenge therefore is for the Authority to remain at the cutting edge of technology related trends.

In review of the above external environmental factors, the following opportunities and threats were identified. The appropriate responses during the implementation of the strategy were developed as highlighted thereafter.

### **Opportunities**

1. Political
  - Supportive political goodwill and commitment to ensure achievement of KMA's objectives
  - International community's willingness to support effective maritime administration
  - Commitment to good governance
  - Political stability
  - Financial support from the Government
  
2. Economic
  - Liberalized economy
  - Increased trade due to opening up of new markets

- Growth of regional economies
3. Social Cultural
    - Affirmative action
    - Social cultural diversity of the geographical location of the operational area
    - Various Government / other agencies' commitment on support of HIV/AIDS combat initiatives
  4. Technological
    - Advances in IT
    - E-government policy
    - Technological advancement in ship design and construction
    - Modernization of port facilities
  5. Environmental
    - Increased global marine environment protection awareness.
  6. Legal
    - Internationally harmonized laws

### **Threats**

1. Political
  - Slow registration process
  - Unrest in some neighboring countries
  - Terrorism
  - Some undomesticated international conventions
2. Economic
  - Lack of financial self sufficiency
  - Inefficient port services
  - Global shortage of qualified maritime personnel
3. Social Cultural
  - HIV/ AIDS pandemic
  - Shortage of skilled human resource
4. Environmental
  - Environment degradation
  - Weak defense against pollution
  - Global warming
  - Natural disasters
5. Legal

- Lack of empowering legislation
- Slow legislative process.

### **4.3 Responding to External Environment**

In order to address the issues presented by the above external environment, the Authority will need to:

- Ensure delivery of efficient, effective and affordable services;
- Ensure safety in Kenya's maritime zones and security of ships in national waters and ports;
- Recommend appropriate framework for effective regulatory role in the sector;
- Achieve financial self-sufficiency;
- Recommend policies to remove unfair business practices.

### **4.4 Internal Environmental Analysis**

The review of internal environment focused on key organizational components to identify the strengths and weaknesses of the Authority. These components include strategy, organization structure, physical environment, people, financial resources, systems, processes, corporate culture and core values.

#### **4.4.1 Strategy**

KMA embarked on the development of its own Strategic Plan in line with its mandate soon after it was established. Formulation of the Strategy is an ongoing process throughout the Strategic Plan period and beyond.

#### **4.4.2 Organizational Structure**

The human resource policy document has been finalized and entrenched to guide on staff recruitment, development and utilization. An approved organizational structure is already in place and will be reviewed as and when necessary.

The current organizational structure has four departments. The Heads of Department are accountable to the Director General. The Corporation Secretary and Head of Internal Audit are functionally answerable to the Director General but report directly to the Board of Directors.

#### **4.4.3 Physical Environment**

Kenya Ports Authority owns the building which KMA is currently occupying. It is being renovated to provide a more suitable working environment.

#### **4.4.4 Financial Resources**

The Authority raises 35% of its finances from levies on Kenyan cargoes passing through the port of Mombasa, license fees and survey charges. The rest of its funds comes from government grant. The Authority will be expected to gradually become financially independent.

#### **4.4.5 Systems and Processes**

The development of systems and processes for Human Resource management, Finance and Accounting, Customer Service, Checks and Balances, Monitoring and Evaluation and Reporting are targeted for completion within the first two years of operation.

#### **4.4.6 Corporate Culture and Core Values**

Inculcation of the Authority's culture of honesty, timeliness, dedication, hard work and integrity, is an ongoing process.

#### **4.4.7 Management Style**

The existing management style is characterized by empowerment and teamwork in accomplishing the various functions.

In review of the above internal environmental factors, the following strengths and weaknesses were identified. The appropriate responses during the implementation of the strategy were developed as highlighted hereafter.

#### **Strengths**

- Organization structure in place
- Ongoing systems development
- Committed staff
- Cost efficiency
- Financial performance structuring
- Technology
- Organizational capabilities
- Kenya Maritime Authority Act, 2006 enacted
- Basic operations are going on
- Strong, dedicated and committed Board of Directors
- Availability of existing basic operational facilities and good infrastructure
- Participation in Maritime Policy formulation

- Government of Kenya funding
- Support of IMO – collaboration
- Revenue collection and accounting systems in operation

### **Weaknesses**

- Inadequate staff
- Lack of ICT infrastructure
- No innovation e.g. new products
- Dependence on government for grants
- Inadequate enabling legislation
- No national exposure; known internationally than at home
- Inadequate office accommodation
- Inability to interact professionally especially in technical areas

### **4.5 Responding to Internal Environment**

Arising from the above analysis of internal environment, the main challenges for KMA are to:

- Ensure high level of quality of service;
- Facilitate development of maritime services and facilities;
- Ensure that all business processes are efficient and cost effective;
- Ensure availability of a highly skilled and motivated workforce;
- Rationalize the organization structure to clarify roles and ensure that they are consistent with the Authority's mandate;
- Empower staff to take responsibility for their outputs and to be held accountable.

### **4.6 Market Analysis**

This refers to the critical assessment of the market in which the Authority operates in order to identify the various services provided. The Authority's services are pegged to the various stakeholders, and comprise the following: -

1. Government
  - Implementation of maritime legislations and / or conventions
  - Advice on maritime affairs, issues on international conventions
2. Port Operators
  - ISPS Code (port and ship security)
  - Prevention and combating marine pollution

3. Shipping lines
  - Flag State implementation
  - Port State control
  - Registration of ships
  - Search and Rescue
  - Participation in combating piracy, terrorism and acts of armed robbery against ships
  - Provision of navigation charts
4. Clearing and forwarding agents and shippers
  - Cargo statistics (manifests)
  - Promotion of INCOTERMS
5. International and regional bodies
  - Implementation of conventions
  - Networking
6. Seafarers
  - Training and certification
  - Registration, recruitment and welfare
  - Issuance of discharge books
  - Discipline of seafarers
7. KMA employees
  - Facilitation (equipment and tools) training, motivation
  - Entry and exit policies
8. General public
  - Corporate social responsibility
  - Information and awareness on maritime activities
  - Service charter
  - Effective and efficient service delivery
  - Transparency and accountability
9. Other government agencies
  - Collaboration and coordination

#### **4.7 Stakeholders Analysis**

In operating in the above areas, the Authority interacts with a number of stakeholders. These stakeholders provide opportunities for the Authority to enhance its effectiveness as well as threats that will need to be responded to. A mechanism for monitoring the quality and effectiveness of interaction with the stakeholders will be put in place. The following Authority's stakeholders were identified: -

**1. Internal**

- The Board of Directors
- KMA employees

**2. External**

- Government
- Public agencies
- Shipping lines / agents
- Port operators
- Freight forwarders
- Shippers
- Seafarers
- Ship owners
- Boat owners
- General public
- Land locked countries (Uganda, Rwanda, Burundi, Eastern Congo, Northern Tanzania, Southern Sudan)
- Environmental NGOs and pressure groups
- Development partners
- International and regional agencies
- Suppliers

## **5.0 Strategic Objectives and Issues**

### **5.1 Strategic Objectives**

The Authority has identified the following strategic objectives as the most critical during the Strategic Plan period. These will be reviewed from time to time in line with the changing circumstances.

- a) To maintain an efficient regime for safe and secure water transportation;
- b) To ensure effective protection of the marine environment;
- c) To develop and maintain a regulatory regime to maximize national economic benefits from maritime activities;
- d) To attract, develop and retain a motivated workforce;
- e) To develop and sustain high customer satisfaction;
- f) To embrace modern technology and best industry practices;
- g) To achieve financial self-sufficiency and sustainability.
- h) To enhance collaboration and partnerships with the relevant International and National agencies on maritime affairs.
- i) To establish and maintain a resource centre for maritime data and information.
- j) To create structures and systems to facilitate Kenyans' participation in maritime socio-economic activities.

### **5.2 Strategic Issues**

The following strategic issues will be the main focus of the Authority's resources and efforts during the Strategic Plan period: -

#### **5.2.1 Legal Framework**

KMA operates under KMA Act, 2006 which was operationalized through Legal Notice No. 22 of 2006 which set the commencement date as 1 January 2007. There is further need to enact the Merchant Shipping and Marine Pollution bills pending in parliament. This will strengthen the legal framework within which KMA operates.

The key focus under this strategy is for the Authority to take leadership in lobbying for a legal framework that effectively responds to the needs of industry players and facilitates domestication of relevant IMO Conventions and regional agreements. The legal framework should improve maritime safety, security, service delivery and local participation in the industry.

#### **5.2.2 Institutional Capacity Building**

Lack of institutional capacity is the biggest impediment to delivery of regulatory services in the sector. The main challenge facing the Authority is the development of appropriate capacity and management framework to deliver on its mission. The Authority is expected to align itself to the agreed mission and vision. This calls for collective shared understanding of its role among the staff as they reach out to stakeholders.

Therefore in line with its mission and in recognition of its core values, the Authority will put in place strategies to ensure capacity development is given priority. Emphasis will be on human resource management through policies and guidelines that enhance staff development, utilization and retention.

With respect to physical facilities and infrastructure, KMA will raise the standards of physical facilities at its current premises to levels comparable to local and international industry regulators. The renovation has already commenced and the general infrastructure will soon be improved to provide pleasant working environment for staff and customers.

### **5.2.3 Financial Capacity**

Successful implementation of the strategic plan will depend on a sound financial base. Currently, the Authority gets about 65% of its recurrent and development budget from the Exchequer. Given the government policy of financial self-sustainability for state corporations and the fact that financial assistance will be forthcoming only within the next two years, the Authority has to implement effective ways of broadening its revenue base. This will entail investigation of the prevailing revenue sources for maritime authorities in other countries with a view to incorporating what is most suitable and viable in Kenya.

### **5.2.4 Maritime Safety and Security**

Although the Authority already undertakes Port State Control and Flag State implementation, there is still need to develop comprehensive programs for effective implementation. This will call for recruitment of more surveyors. In addition, the security requirements as per the amendments of Safety of Life at Sea (SOLAS-74) Convention (Chapter XI -2 and ISPS Code) also require the Authority to take a leading role in ensuring compliance.

### **5.2.5 Corporate Image and Customer Care**

Corporate image and customer care are key concerns of organizations today. KMA will put in place guidelines, which will help in building its image, and raising the quality of customer service.

### **5.2.6 Research and Development (R & D)**

As a new institution, many of the Authority's functions will be undertaken for the first time in the country. In order to facilitate positive and acceptable changes in the industry, there will be need for research on a number of issues to be addressed. Research and development is necessary to facilitate innovativeness in not only addressing industry problems but also ensuring that resources are optimally used.

### **5.2.7 Information and Communication Technology (ICT)**

It is important to develop ICT policies and systems which will assist in availing timely information at all levels in the Authority. Efforts shall be made to introduce ICT in all operations and improve networks with key stakeholders.

#### **5.2.8 Marine Environment Protection**

The pending Marine Pollution Bill improves protection of the marine environment. It contains Oil Pollution Response and Coordination (OPRC) 1990 Convention with guidelines on National Oil Spill Response contingency plan and the International Oil Pollution Compensation Fund (1992). The Authority will lobby for the enactment of the bill in order to legitimize its intended operations on protection of marine environment.

#### **5.2.9 Commercial Maritime Activities**

Maritime transportation problems in the form of high distribution costs, reduced profit margins and lack of international competition have led to unexploited international trade potential, slow economic growth and under-employment. In addition, the level of national participation in key income generating areas is very low. The Authority will undertake appropriate measures to inform, promote, nurture and protect local interests in seaborne trade. The Authority will develop and implement transportation policies that will ensure cheap, fast, safe, efficient and convenient movement of goods.

#### **5.2.10 Search and Rescue (SAR)**

In accordance with the legal notice No. 79 (paragraph 8,1g), KMA is required to coordinate the activities of KPA, Kenya Navy and other bodies engaged in search and rescue. KMA will therefore take the leading role in the establishment of the national search and rescue contingency plan, operation of Maritime Rescue Coordination Centre (MRCC) at the coast as well as search and rescue plans for inland waters.

#### **5.2.11 Maintenance of International Standards in Maritime Training and Education**

Training of seafarers must comply with IMO standards (STCW 78 as amended in 1995). Countries, which comply with these standards, are placed on a White List, which enables them to train seafarers to serve on foreign going ships. At the moment Kenya is not in the White List and is forced to send her seafarers for training in Dar-er-salaam, Tanzania, despite the availability of some training facilities and human resource in the country. This arrangement is a drain on meager national resources. It is the responsibility of KMA to ensure this position is changed. In addition to this, all other maritime training programs should meet the needs of the industry. Some of the strategies to be implemented are compliance with IMO standards, harmonization of maritime education, facilitation of accreditation of maritime training institutions by the Directorate of Technical Training and Kenya Institute of Education, placement of officers on board foreign going ships for sea time training and enforcement of quality assurance system in maritime education.

### **5.3 Key Result Areas (KRAs)**

To address the strategic issues identified in 5.2, the following Key Result Areas have been identified:

#### **5.3.1 Regulatory Framework**

- a. To recommend amendments to the existing legislation;
- b. To formulate and publish regulations;
- c. To sensitize parliamentarians on enactment of maritime Bills;

#### **5.3.2 Institutional Capacity**

- a. To acquire adequate office accommodation;
- b. To develop a maritime information resource center;
- c. To acquire office furniture and equipment;
- d. To periodically determine competitive pay structures;
- e. To develop a mechanism of staff reward and motivation;
- f. To develop a system of staff welfare, health, occupational hazards and safety;
- g. To develop human resource policy;
- h. To continuously enhance staff skills and competence.

#### **5.3.3 Financial Stability**

- a. To expand the revenue base;
- b. To determine optimal investment opportunities;
- c. To develop cost-control mechanisms;
- d. To maximize collection of revenue from existing sources;
- e. To periodically review the Merchant Shipping fees regulations;

#### **5.3.4 Maritime Security**

- a. To enforce compliance with rules and regulations in International Ships and Port facilities Security (ISPS) Code;
- b. To enforce compliance with ILO/IMO Code of Security for Ports;
- c. Develop training programs for maritime security personnel ;
- d. To develop and implement Port State Control and Flag State implementation programmes;
- e. To cooperate with regional and international agencies in combating piracy and armed robbery against ships;
- f. To take a lead role in the development and maintenance of a Search and Rescue Plans and coordinate the various agencies involved in SAR operations.

#### **5.3.5 Maritime Safety**

- a. To ensure compliance with the provisions of relevant IMO conventions, National Laws and Standards;

- b. To coordinate search and rescue operations at the coastal and inland waters.

**5.3.6 Marine Environment Protection**

- a. To develop and adopt an oil pollution contingency plan for coastal and inland waters;
- b. To conduct public awareness campaigns to sensitize stakeholders on the plans;
- c. To set up national procedures for vetting of oil carriers.

**5.3.7 Commercial Maritime Activities**

- a. To promote national participation in maritime socio-economic activities;
- b. To maximize economic returns from maritime transportation;
- c. To develop an effective system for facilitation of cargo movements.

**5.3.8 Maritime Education and Training**

- a. To enforce national and international maritime training and certification regulations;
- b. Establish guidelines on Terms and Conditions of employment for Kenyan seafarers;
- c. Establish and Maintain Register of Kenyan seafarers
- d. To develop and enforce quality assurance systems in maritime training.

**5.3.9 Corporate Image and Customer Care**

- a. To ensure excellent customer service;
- b. To continually avail and maintain high standards of physical facilities and equipment;
- c. To project a socially responsible corporate image.

**5.3.10 Research and Development**

- a. To prepare R & D policy;
- b. To identify and develop R & D programmes;
- c. To Operationalize R & D programmes.

**5.3.11 Information and Communication Technology**

- a. To develop ICT policy;
- b. To procure state-of- the- art ICT facilities and equipment ;
- c. To consistently maintain and upgrade ICT facilities and equipment.

**5.3.12 Enhancement of International, Regional and National Collaboration, Cooperation and Partnership Building in Maritime Related Affairs**

To draft and negotiate MOU(s) for enhancement of international, regional and national co-operation and partnership building in maritime related affairs.

## **6.0 Implementing the Strategy**

### **6.1 Staffing Levels**

The following staffing levels were considered necessary to effectively deliver the strategy. The levels will be assessed and reviewed against the actual workload as implementation of the strategy progresses.

	<b>DESIGNATION</b>
1	Director General
2	Corporation Secretary
3	Chief Surveyor & Receiver of Wrecks
4	Finance & Administration Manager
5	Commercial Shipping Manager
6	Pollution Control Manager
7	Manager RMRCC
8	Nautical Surveyor
9	Engineer Surveyor
10	Training Surveyor
11	Assistant Commercial Shipping Manager
12	Internal Auditor
13	R&D Officer
14	Public Relations Officer
15	Legal Officer
16	Pollution Control Officer
17	Search & Rescue Officer
18	Registrar of Seafarers
19	Accountant
20	Procurement Officer
21	Human Resources Officer
22	ICT Officer
23	Maritime Officer (Inland Waters)
24	Commercial Officer
25	Assistant Internal Auditor
26	Small Vessels Inspector
27	Assistant R&D Officer
28	Executive Officer
29	GMDSS Technician
30	Assistant Registrar of Seafarers
31	Trainee Engineers
32	Small Vessels Inspector
33	Personal Secretaries
34	Assistant Commercial Officers
35	Library Assistant
36	Public Relations Assistant
37	Legal Assistant

38	GMDSS Operator
39	Seafarers Registrar Assistant
40	Accounts Clerk
41	Procurement Clerk
42	Record Management Assistant
43	Human Resources Assistant
44	Data Input Clerk I
45	Records Clerk
46	Data Input clerk II
47	Driver I
48	Telephone Operator
49	Driver II
50	Office Assistant I
51	Office Assistant II

## **6.2 Resource Requirements**

The Authority needs adequate resources to accomplish the Strategic Plan. The plan will require over Kshs. 1 Billion within the five-year period. At the moment it can internally generate only 35% of its annual development and recurrent budget while the Government grants the rest. Measures will therefore be undertaken to expand Authority’s revenue base with a view to attaining financial independence.

## **6.3 Monitoring and Evaluation**

The action plans developed in Appendix I will act as the tools for monitoring the implementation progress of the Strategic Plan. In addition, the following tasks will be undertaken to strengthen the monitoring and evaluation process.

- Each responsible officer will develop a set of performance indicators to be used for periodic reporting of each output;
- A senior management meeting chaired by the Director General will be held on a monthly basis to report progress over the implementation of the plan. A Status Report will be presented to the Board quarterly;
- The Authority will carry out a Service Delivery Survey early in the Strategic Plan period and annually thereafter to monitor performance;
- Specific issues will be identified and action plans prepared to address any bottlenecks in the implementation of the strategy;
- The strategy will be translated into performance responsibilities for senior staff against which their performance will be evaluated and this process will cascade to the rest of the staff of the Authority; and

- A Monitoring and Evaluation Team will be set up to develop mechanisms and instruments to manage the performance management system and address any gaps in the realization of pre-set targets.

#### **6.4 Organizational Structure**

An appropriate organizational and management structure is critical to enable KMA realize its mandate and strategic objectives. The organization structure developed is shown as an Annex to this Strategic Plan. To ensure proper alignment with the Authority's mission and core functions, attempts have been made to avoid duplications, overlaps and conflicts. The structure recognizes the role of the Authority as a facilitator and not implementer of projects in the maritime industry and has been aligned to the core business of the organization.

It provides for the establishment of four departments whose heads are accountable to the Director General. Research and Development Officer is directly answerable to the Director General. The Corporation Secretary and Head of Internal Audit are functionally answerable to the Director General but report directly to the Board of Directors.

#### **6.5 Goals**

The authority has set the following goals to be achieved during the Strategic Plan Period:

- i. Update the legal framework for the maritime industry including domestication of relevant IMO conventions and regional agreements.
- ii. Attract and retain adequate human resource capacity
- iii. Expand revenue base and strengthen financial management
- iv. Put in place an effective regime for security of ships and port facilities
- v. Put in place an effective regime for the safety of navigation, prevention of marine pollution and facilitation of SAR in Kenya's maritime zones
- vi. Adopt measures for compliance with the provisions of relevant IMO conventions, national laws and standards
- vii. Coordinate search and rescue operations
- viii. Develop and maintain a contingency plan for management of marine oil spills
- ix. Develop and maintain a system for management of marine pollution and dumping of waste
- x. Promote national participation in maritime socio-economic activities in order to maximize economic returns from maritime transport
- xi. Develop and implement internationally accepted standards for maritime education and training.
- xii. Create and uphold a positive corporate image for the Authority
- xiii. Build and maintain a maritime resources centre
- xiv. Adopt the use of ICT In operations of the Authority
- xv. Develop partnerships for enhancement of international, regional and national collaboration and cooperation and partnership building in maritime related affairs.