

KENYA PORTS AUTHORITY

STRATEGIC PLAN

2023/24 – 2027/28

POPULAR VERSION



Foreword



It gives me great pleasure to introduce the Kenya Ports Authority Strategic Plan 2023/2024 – 2027/2028, which outlines our strategic course for the next five years. This strategic plan recognizes the significant role KPA plays in facilitating seaborne trade for Kenya and the neighbouring countries of Uganda, Rwanda, Democratic Republic of Congo, South Sudan, Burundi, Ethiopia, Somalia and Tanzania. This plan underpins the Authority's commitment to unlocking the region's growth potential through improving efficiency at the ports and developing its capacity in line with the region's growing trade demand.

As outlined in the country's Vision 2030, infrastructure has been identified as an enabler in achieving the aspirations of priority sectors. KPA's mandate aligns with the vision by developing infrastructure that supports maritime transport. The development of this plan comes at a time when the country is expected to place a lot of focus and resources on the Bottom-up Economic Transformation Agenda (BETA). This strategy outlines concrete actions which directly align to BETA, focusing on the objectives of job creation and lowering the cost of living through projects such as the Dongo Kundu SEZ and initiatives to support the Blue Economy. KPA will also leverage on continuous business process improvement and ICT to minimize inefficiencies in a bid to lower the cost of doing business which is firmly entrenched in BETA.

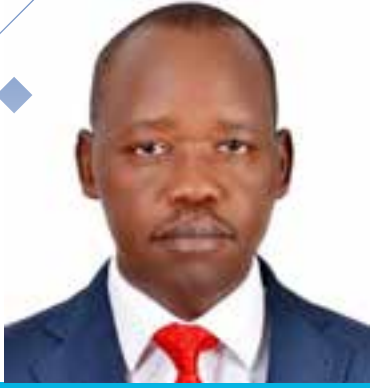
The plan was developed through extensive analysis of global maritime trends and input from various stakeholders, including other innovative international ports, shipping companies, customers, and maritime stakeholders. This 5-year strategic plan is therefore guided by the Authority's intent to achieve its Vision of "World Class Ports of Choice." The strategy aims to deliver projects and initiatives that will solidify and cement KPA's competitive edge, secure its profitability, and ultimately strengthen Kenya's position as the gateway to East and Central Africa.

As an organization, we remain cognizant of our key role in facilitating trade in the region through collaboration with other players and agencies. We are committed to understanding our stakeholders with their unique needs and expectations and engaging with them through existing frameworks. We promise more robust engagements as we move forward. I am convinced that through collaboration, we can unlock our full potential and deliver on our customers' requirements into the future.

Finally, this strategic plan is the product of an extensive consultation process involving both internal and external stakeholders. I recognize and appreciate the KPA Board, Management, and Strategic Planning Committee's unrelenting dedication and priceless contributions to the development of this strategic plan. We are confident that with the collective efforts and commitment of all stakeholders, we will be able to achieve the goals and objectives set forth in this plan. Furthermore, we will regularly review and assess the progress made to ensure that we stay on track and make any necessary adjustments along the way.

Hon. Benjamin Tayari

CHAIRMAN



Preface

This plan takes into account global shipping trends and emerging technologies in the maritime sector that are transforming port operations. To this end, we shall accelerate our digitization and automation efforts to drive port efficiency and productivity. We have made a commitment to upgrade the current Terminal Operating System (TOS) to a more digitally enhanced version that will help us achieve an end-to-end digitization of all port processes and one that will seamlessly integrate with all our stakeholders. We shall enhance safety standards at the port while also making sure we uphold our environmental responsibilities as responsible corporate citizen.

We have set out specific plans to grow the business in terms of volume, market share, and financial base. During this planning cycle, the focus will be on transforming the Port of Lamu into a vibrant commercial hub. We shall therefore equip and source for mutually beneficial strategic partnerships that will guarantee the offtake of cargo through Lamu. In terms of markets, we have deliberate strategies to expand our footprint in our transit markets, with particular focus on Ethiopia and the Democratic Republic of Congo (DRC). We remain optimistic that these markets present us with a golden opportunity to cement our position as the hub port of choice in the region.

We understand that our employees will continue to be the most crucial resource in carrying out our mission for us to succeed. We will therefore ensure our staff are engaged, empowered, recognised, and connected with our mission. To achieve this, we plan to roll out programmes specifically designed to support employee well-being, enhance talent, and foster leadership development while at the same time entrenching a performance management system that recognises and rewards stellar performance.

Lastly, with the support and dedication of the management, staff and our stakeholders, I am confident that the Authority will be able to achieve and even surpass the set targets and play its role in trade facilitation in the region.

Capt. William K. Ruto, AFNI

MANAGING DIRECTOR

This Plan provides a roadmap in furtherance of our mandate towards realizing our vision of world class ports of choice. This Plan is a successor to the KPA Strategic Plan 2018–2022, which was aligned to Vision 2030 and its Third Medium-Term Plan, and the Kenya Ports Master Plan (2018–2047). The Strategic Plan 2018–2022 marked the first cycle of implementation of the Kenya Ports Master Plan.

The Authority's strategic direction is guided by our vision, "World Class Ports of Choice", and our mission, which is to "Provide Efficient and Competitive Port Services to Facilitate Global Trade". This strategy is driven by four strategic thrusts: customer focus, operational excellence, business growth, and good governance. This strategic approach is supported by our steadfast commitment to placing the needs of the customer at the centre of all we do. We are optimistic that the initiatives that we have set out to pursue will not only positively impact our customers' experiences but will exceed their expectations. To this end, we will, at the onset of this plan, invest in a modern Customer Engagement Centre that will be pivotal in enhancing the customer experience.

The development of port infrastructure remains core to the delivery of our mandate. In this plan, we have prioritised infrastructural projects based on thorough analysis of current and projected demands in the port industry. By rehabilitating conventional cargo berths 1-10 and development of berth 19B, we aim to enhance our handling capabilities for a wide range of cargo types, ensuring efficient operations and customer satisfaction. Additionally, the development of the first berth at Dongo-Kundu and completion of Shimoni Port will expand our port's capacity and attract new business opportunities, further solidifying our position as a competitive port service provider.

Motto: Transforming Business, Enriching Lives

1. The KPA 2023/24-2027/28 Strategic Plan

It's a 5-year plan covering the period 2023/24 – 2027/28 in line with the Kenya's Medium-Term Plan (MTP IV) and the Government's Bottom-up Economic Transformation Agenda (BETA).

1.1 Strategic Direction

1.1.1 Mandate

The Authority's mandate is to develop, maintain, operate, improve, and regulate all sea and inland waterway ports in Kenya. In addition, the powers / functions of KPA are as provided in Sec. 12 of the KPA Act:

- a) Port infrastructure development
- b) Port operations
- c) Maintaining port facilities
- d) Aids to navigation
- e) Pilotage and other port services; and
- f) Regulation of port business

The Authority currently operates the Port of Mombasa, the Port of Lamu, Kisumu Port, other small ports as well as Inland Container Depots in Nairobi, Naivasha, Kisumu and Eldoret. KPA also operates ferry services along Likoni and Mtongwe channels between Mombasa Island and the Mainland South.



1.1.2 Vision, Mission, Core Values



“World-class ports of choice”



“To Provide Efficient and Competitive Port Services to Facilitate Global Trade”

Core Values



Customer Focus: Service excellence is key to our operations and we endeavour to exceed customer expectations.



Integrity: We uphold fairness, honesty, professionalism and transparency in all our undertakings.



Teamwork: We embrace team spirit in all that we do.



Care: We care for our staff, the communities around us and are sensitive to the environment



Innovation: We are innovative and continuously create value for our customers

1.2 Strategic Goals and Outcomes

Strategic Goal 1: To improve customer experience by providing responsive services that exceed customer expectations.

Strategic Goal 2: To improve our competitiveness by enhancing productivity and efficiency in a safe and secure environment while leveraging on data and modern technology.

Strategic Goal 3: To increase the volume of cargo through the Kenyan ports to sustain the Authority's financial base.

Strategic Goal 4: To build a result-oriented and ethical workforce backed by transformative leadership.

Strategic Goal 5: To build strong partnerships and networks, with both private and government players, that are mutually beneficial and deliver value to our customers.



1.3 Key Result Areas and Strategic Objectives



1.4 Strategic Initiatives



End-to-end automation



Collaborative frameworks focusing on the entire logistics chain



Customer Relationship management system



Dongo Kundu Berth 1



Re-development of Berths 1-10



Workplace Culture Change Programme



Venturing into new markets



Fully Operationalize Port of Lamu



Revamping of Ferry Operations

1.5 Strategic Outcomes



Customer Satisfaction Index – **75%**



Container Ship Turnaround time – **2.2 days**



Total Throughput – **38.95 million tonnes**



Container Traffic – **1.792 million TEUs**



Transit Traffic – **13.218 million tonnes**



Staff productivity **index of 2**



Profit – **KShs 20 Billion**

1.6 Outcome Performance Matrix

Key Result Area	Outcome	Key Performance Indicator	Baseline		Target	
			Value	Year	Mid-term period target 2025/2026	End of Plan Period Target 2027 / 2028
Customer Focus	Enhanced customer satisfaction	Customer satisfaction index %	71	2020/21	73	75
Operational Excellence	Faster Turnaround times	Container ship turnaround time (days)	2.8	2021/22	2.5	2.2
		Truck turnaround time (hours)	7.1	2021/22	4.9	2
	Improved Productivity	Crane productivity	17.4	2021/22	20.7	24
		Berth Productivity (moves per ship per hour)	36.7	2021/22	44	48
		Rail crane productivity (Moves per hour per train)	34.5	2021/22	40	45
	Improved safety standards	Accidents reduction (%)	400	2021/22	50%	0%
Business Growth	Increased transit market share	Common market share with Port of Dar (%)	61.6	2021/22	64.0	68.6
	Increased revenues	Total Revenue (KES Million)	51.359 Bn	2021/22	60Bn	65Bn
	Increased throughput	Container Traffic (TEUs)	1.435M	2021/22	1.690 M	1.792 M
		Total Throughput (MTs)	33.620M	2021/22	36.357 M	37.735 M
		Transit Traffic (MTs)	9.523M	2021/22	12.286 M	13.475 M
		Transshipment Traffic (TEUs)	211,534	2021/22	337,740	381,216
	Improved ROI position	Profit Before tax (KES Million)	11.29Bn	2021/22	16.50 Bn	20.00 Bn
		Return on Investment (%)	3.3	2021/22	4.0	5.0
	Reduced costs	Staff costs as a percentage of revenue (%)	36	2020/21	34	32
		Operational costs as a percentage of revenue (%)	78	2020/21	75	70
Good Governance	Improved employee productivity	Compliance Levels (%)	100	2021	100	100
		Human capital return on investment	1.5	2019/20	1.75	2.0
		Workforce competence Index (%)	TBD at baseline	-	90	100
		% of staff meeting performance targets	61.43	2021/22	100	100
		Employee satisfaction survey %	61	2017	70	75
		Employee engagement index (%)	TBD at baseline	-	70	75
	Improved corruption perception	Corruption perception index	4.17	2021	3.8	3.5
	Improved risk maturity	Risk Maturity Level	Risk defined	2021	Risk Integrated Level 4	Risk Integrated Level 4

2. Implementation

2.1 Partnerships and Collaborations

As a strategic Maritime trade facilitator, KPA collaborates with key Partner Government Agencies (PGAs) to support a unified approach and effectiveness towards achieving ease of doing business.

2.2 Roles and Responsibilities

2.2.1 Board

The Board is responsible for providing strategic direction towards alignment of all corporate plans and the annual performance contracting targets to the outcome of the Strategic Plan.

2.2.2 Excom

EXCOM is responsible for making collective Management decisions related to the day-to-day functions of the Organisation and aligning the functions to the intended outcome of the Strategic Plan.

2.2.3 Employee

The employee is expected to employ his or her skills and efforts to execute various projects and initiatives as outlined in the Strategic Plan.

2.2.4 Stakeholder

Implement the obligations within the SLAs and facilitative processes to streamline port services



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