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KTA- COMPETE CAPACITY BUILDING INITIATIVE

2011 QUARTER 2 TECHNICAL ACTIVITIES REPORT

(APRIL 2011 – JUNE 2011)

KTA MEETING WITH PARLIAMENTARY SELECT COMMITTEE TO EXPLORE THE EFFECT OF THE ENERGY CRISIS ON THE COST OF LIVING



KTA – COMPETE GRANT – BASIC INFORMATION

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OBJECTIVES

The activities of the 2nd quarter of the year 2011 built upon the Advocacy initiatives that had already been initiated during the previous period. As will be evidenced in this report, focused advocacy has seen the increase in dialogue between KTA and the Government to a point where the Government Agencies seek out KTA in efforts towards addressing the escalating costs of transport in the region.

This report will look at the gains achieved through the pillars outlined in the KTA Strategic Plan. The pillars in focus include:

- Advocacy.
- Institutional Development and Sustainability.
- Member Services.

NARRATIVE REPORTS

1. ADVOCACY.

A. KTA MEETS WITH PARLIAMENTARY SELECT COMMITTEE ON ENERGY COSTS



On 3rd June 2011, KTA met with the Parliamentary Select Committee that was formed to investigate the effect of the Energy crisis on the cost of living. The Committee consisting of 3(three) Members of the Kenyan Parliament including Hon. Ababu Namwamba, Hon. Rachel Shebesh and Hon. Ole Lankas met with the KTA Executive Committee and the following issues were raised:

- Dynamics of Fuel increase for the Transport Sector – The domino effect of increase in fuel that sees the increase of costs of spares and tires. This is against a backdrop of an industry that has absorbed costs in the past however it was pointed out that this was no longer sustainable.
- Delays caused by relevant Government Agencies resulting in increased costs.
- Regulations restricting the use of Transit trucks for back-haul.
- The need for expansion of the Road infrastructure to increase the Northern Corridor to a dual carriage way and thus encourage transporters to operate 24hours as well as reducing the number of road accidents.

In summary, the Hon. Ababu Namwamba urged KTA to fulfill its role of representing its members by lobbying on the issues affecting the industry and ensuring the interest of its members are guarded jealously. He also urged KTA to present the issues as a petition that can be tabled in Parliament and thus inform policies affecting the industry. KTA must ensure that its voice is heard where it matters as the issues presented at the meeting were fundamental.

B. KTA MEETS WITH MINISTER FOR AGRICULTURE

The transport contract for the National Cereals and Produce Board (NCPB) has had some challenges which include payments being delayed for up to 12 months, under-declared weights leading to additional costs at the weighbridges among others. In the first quarter of 2011, KTA had held meetings with NCPB and these problems were presented and recommendations on proposed solutions were made. This matter was then escalated on to the Minister for Agriculture – Hon. Sally Kosgei. The pending issues were presented at the meeting held with the Minister on 16th June 2011, and it was recommended that KTA should write out a petition on the matters affecting the transportation of Agricultural products and present these to the Minister. The Minister had informed KTA that the issues affecting the transportation of horticulture had been addressed and this group of transporters had achieved some gains in reducing the costs of transportation.

C. ADVOCACY WITH KEPSA

KTA presented the issues concerning the transport sector at the Kenya Private Sector Alliance (KEPSA). KEPSA represents the Private Sector whereby the issues presented are escalated to the relevant Government Ministries at the highest level including the Prime Minister’s round-table. The issues presented at the meeting by KTA were as follows:

- Transport Management Institutions – recognizing KTA as a self-regulatory body.
- Increase in Insurance rates in the Transport Sector by 100%.
- Integration of Information systems in the Logistics chain i.e. SIMBA, KWATOS, etc.
- Training of Truck Drivers and Turn-boys on Road Safety.
- Adoption of the EAC recommendations on Vehicle Overload controls.
- Removal of the Advance tax on the Prime Mover.
- KTA to be incorporated in the National Transport Safety Board.

D. NATIONAL ROAD SAFETY COUNCIL

KTA serves as part of this council whose major objective is to address the Road Safety concerns in Kenya. The council held meetings towards preparing for the UN Decade of action, of which the launch was held on 11th May 2011. KTA continues to push its agenda of getting recognition as a self-regulatory tool that can be used to curb road accidents especially those caused by trucks. In the meeting held on 6th April 2011, the council agreed to facilitate KTA so as to initiate programs to sensitize transport operators on the importance of Safety. The following is an excerpt from the minutes of the meeting:

5.2 Enforcement

Regarding the commercial vehicle industry (trucks), the Committee was asked to sensitize truck drivers and owners on the need to comply with the traffic rules. The Council further agreed to facilitate the Kenya Transport Association sensitize its members. The Committee was requested to address security issues in road transport in their deliberations.

The meeting unanimously agreed that commercial vehicles and PSV operators fix tacho graph tamper proof speed limiters in their vehicles. This is a more superior gadget than speed governors for it can provide the history of the vehicle before and after impact/crash. The meeting also proposed to bring commercial vehicles under the TLB rules in order to regulate the industry. They are currently not regulated though KTA has a code of conduct for its members. Not all commercial vehicle operators are members of the KTA. This is a big challenge since it has been difficult for the KTA to reign in on truck operators who are not members. The Council proposed to customize the PSV model (Sacco) of operations in this industry in order to rein on errant operators.

E. AXLE LOAD STEERING COMMITTEE

The issue of the Axle Load has presented a major barrier to transport facilitation as the authorities are on one end increasing the fines for Axle Load offences while the transport operators on the other end are unable to comply and thus passing on the costs to the cargo owner. There have been very few if any mediatory mechanisms that have succeeded in bringing the Government and Private Sector to one forum and address the issue exhaustively. The Axle Load Steering Committee formed by the Permanent Secretary in the Ministry of Roads, in 2009 was able to convene and promises to fulfill the role of finding a workable solution to the Axle Load issue. KTA was able to present the Transporters perspective as regards the Axle Load issue and this was included in the Committee’s Strategic plan. The forum also presents further opportunities whereby KTA has the platform to partner with Government agencies in implementing initiatives to curb overloading while at the same time protecting compliant transporters from harassment. As per the Committee’s Strategic plan, KTA plans to implement the recommendation of having Approved Economic Operators (AEO) based on adherence to the principles outlined in the Code of Conduct.

DIAGRAM SHOWING THE AXLE LOAD COMMITTEE FIVE PILLARS AND THE OBJECTIVES OF EACH PILLAR

Weigh Bridge Efficiency	Legal Review and Enforcement	Regional Harmonization	Cultural Transformation	Monitoring & Evaluation
<ul style="list-style-type: none"> • Privatization • Upgrade weighing Technology • Set tolerance • HR Training at Weigh bridges • Information and data 	<ul style="list-style-type: none"> • Vehicle Design & Specification • Adopt chain of responsibility • Increase penalties • Enhance Enforcement • Stop the problem at the point of loading • Multiple government agencies • Loader • GVW Vs Axle load • Sting Operations • Decriminalize Axle Load 	<ul style="list-style-type: none"> • Regional disparities in Axle load • Establish a clear Kenyan Position • Lobby and advocate for Kenya's position • Establish scientific basis for Kenya's Position 	<ul style="list-style-type: none"> • Shame Offenders • Reward Compliance • Public Awareness • AEO • Driver welfare • Private Public Partnership • Codes of Conduct • Self Regulation 	<ul style="list-style-type: none"> • Identify Critical Success Indicators • Set Baselines • Set Targets • Monitor achievement of Targets • Data analysis information Sharing and Dissemination

F. KENYA TRANSPORT ASSOCIATION =VS= MUNICIPAL COUNCIL OF MOMBASA AND SUMMIT COVE LINES LIMITED

The ruling on the above mentioned Court Case was ruled in KTA’s favor on 20th May 2011. This has reduced the costs incurred by transporters on the Parking Fee charges. An estimate by the defendant in the case (Mombasa Municipal Council) put the figure for parking fees collected to Kshs. 800,000 per day (estimated: USD: 10,000 per day). KTA in winning this case has eliminated the above costs as well as removed the delays caused by the inefficient calling system that was costing each truck up to 4hours per day in delays.

G. HARMONIZATION OF VEHICLE OVERLOAD REGULATIONS IN THE EAC

KTA has been actively involved in the study that seeks to harmonize the laws and regulations on vehicle overload control in the EAC region. This has provided an excellent platform for the issues affecting overload control to be addressed and for the East African Community to adhere to common laws and regulations, thus leveling the operating field for transport operators in the region. The 2nd Stakeholders meeting was held on May 30th and 31st with the final report on the study findings expected to be finalized and presented by the end of August 2011.

2. INSTITUTIONAL DEVELOPMENT AND SUSTAINABILITY.

A. RECRUITMENT OF CHIEF EXECUTIVE OFFICER.

The recruitment of the CEO was carried out and 5 candidates were short-listed. The interviews were carried out and Jane Njeru(Mrs.) was identified as the ideal applicant for the position. She joins KTA with a wealth of experience in Management of Trade Associations as well as successful advocacy campaigns. The CEO assumed the position on 16th May 2011.

B. RECOMMISSIONING OF KTA – NAIROBI CHAPTER



The meeting with Nairobi transporters was held on 14th May 2011 with 34 transport companies represented at the meeting. A nucleus was formed constituting of those transporters present and an activity plan was formulated which includes:

- Getting office space.
- Organizing Nairobi AGM so as to elect officials into office.

The KTA Executive Committee pledged support to establishing the KTA Nairobi Office expeditiously since the Nairobi branch would facilitate sustained and expeditious advocacy on the transport issues.

The members present were also sensitized on the need for the code of conduct. The members agreed to have the Code of Conduct adopted as the guiding principle in the standards of professionalism expected of all transporters.

C. KTA MAGAZINE

The publication of the 12th issue of the KTA magazine was finalized. The generated total revenue for the issue amounted to Kshs: 715,000 (approximately USD: 8,400). The contract with the publisher was terminated and as of Issue No. 13, KTA plans to carry out the production in-house. The structures required to carry out the production are underway with KTA having advertised and conducted interviews for the Sales Representatives who will support the Secretariat in accomplishing this activity.

D. KTA OFFICE PARTITION

Finally the office partition and acquisition of new furniture was completed in the month of June 2011. We would like to thank USAID COMPETE for their generous contribution of US\$ 10,000.00 which has enabled KTA to have such a makeover as can be seen from the photographs below.

RECEPTION AREA



KITCHEN/STOREROOM



CEO'S OFFICE



BOARDROOM



A secretariat staff meeting with the new CEO in the new Boardroom

ADMIN/ACCOUNTS OFFICE



New Accounts and Administration Office

3. MEMBER SERVICES

A. NORTHERN CORRIDOR INSPECTION TOUR – 23RD – 27TH MAY 2011



The Northern Corridor Inspection tour was an initiative of the Northern Corridor Transit Transport Coordination Authority (NCTTCA) carried out from the 23rd – 27th May 2011. This initiative sought to find the reasons behind the delays at the Malaba border station. The delegation involved all the key players in the supply chain including; Ministry of Transport, Kenya Revenue Authority, Uganda Business Community representative, Rwanda Business Community representative, Kenya Transport Association, Road Transport Association, Kenya Ports Authority, OCPD – Police Kilindini, Kenya International Freight and Warehousing Association. The team travelled by road and made stops at all the major stops made by trucks along the highway to enquire:

- The documentation requirements,
- The procedures at the stops,
- Time taken to carry out these procedures.

The team then held a Stakeholders workshop to identify the main causes of the delays at the Malaba Border station.

The team then identified in the Final Report a list of 44 causes of delays and costs along the Northern Corridor. The NCTTCA and the respective organizations in the taskforce would then escalate the issues to have the recommendations implemented.

Report by:
KTA Secretariat.