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Deloitte Haskins+Sells Management Consultants Ltd.

REPORT ON SYSTEMS EVALUATION

DROUGHT EMERGENCY RELIEF PROGRAM

FOR

USAID MISSION TO KENYA

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SYSTEMS EVALUATION OF THE DROUGHT EMERGENCY RELIEF PROGRAM

USAID MISSION TO KENYA

SECTION I - INTRODUCTION

1. We are pleased to present the results of our investigation into the efficacy and accuracy of the systems employed by all relevant agencies involved in the current Drought Emergency Relief Program. We have conducted a detailed review of all aspects of the Program and are confident that the findings we present and the recommendations we make in this report will be of assistance.

2. Throughout this assignment we have been conscious of the urgency and importance of our task, and have thus prepared short interim reports, and held meetings to alert you to areas of pressing concern. We have also held discussions with the relevant officials of the implementing agencies, when possible, to discuss our perceptions of problem areas and to make recommendations for improvement. In some instances these recommendations have been implemented or are in the process of being acted upon. We indicate within the text, where appropriate, when changes have been implemented, or will be implemented.

Our understanding of the task

3. In October 1984, Deloitte Haskins & Sells Management Consultants (DH&SMC) were awarded two separate but inter-related assignments. They were

   (a) a systems evaluation study;

   (b) a continuous monitoring study.

4. We consider that the two assignments are complementary. The systems evaluation study has provided direction to the auditing activities of the monitoring team, by highlighting the strengths and weaknesses of the systems employed and by indicating information sources and areas of concern. The monitoring team has assisted in the assessment of actual compliance with theoretically sound procedures, and their efficacy in practice.

5. From the start of the assignment, we regarded the most important objective of the systems evaluation study as the identification of unnecessary barriers to the distribution of PL 480 food. Given this major objective, our interpretation of the extensive Terms of Reference for the Study supplied by the USAID Mission to Kenya (Appendix 1) led us to identify the following areas as being of prime concern

(a) administrative/operations management;

(b) logistics of distribution;

(c) financial controls;

(d) storage facilities and warehouse management;

(d) recording systems;

(e) physical equipment.

6. Our review in each of these broad areas was directed to providing an assessment of the competence, capability and control of each of the implementing agencies in the distribution of PL 480 food aid.

7. However, some of these areas are specific to one or two agencies, or more properly belong to an overall assessment of the Drought Emergency Relief Program. In order to provide consistency in the presentation of our findings and to allow implementing agencies to be assessed on a comparable basis, we have, therefore, structured our analysis of each of the implementing agencies into three main areas of review which are applicable to all. These are

(a) organisation and personnel

(b) physical equipment and capability

(c) systems and procedures.

8. Where appropriate, we have expanded our terms of reference by working with the responsible agencies directly to implement changes we deemed necessary immediately, and which could be achieved within the context of existing structures and procedures. In this respect we have differentiated between simple changes that have been or can be implemented for this program, and longer term, more complex changes that should be addressed for the future. In presenting our findings and recommendations, we indicate in the text which of those changes are or have been achievable in the short-term, and those which require to be addressed over a longer period. The latter are discussed principally in the final section of our report, which is concerned with the overall co-ordination and direction of the Drought Emergency Relief Program.

Work done

9. Since the start of our assignment in October, 1984, we have reviewed the administration and distribution of PL 480 food commodities in each of the implementing agencies.

10. The work involved us in personally interviewing staff at all levels in these organisations, in order to track procedures to the final operative level. We have interviewed over forty people in the course of our assignment (for full details see Appendix 2) and carried out field visits to Mombasa, Kitui, Machakos, Thika and Meru in addition to interviews performed in Nairobi.

11. We have prepared two interim reports for the USAID Mission to Kenya in the course of our assignment. While this was not part of our contract, we considered that progress reports, outlining our major findings to date, would be of use in alerting USAID personnel to areas of concern that could be addressed before our final report was issued.

12. With the agreement of the USAID Project Director, we have deferred our examination of the monetisation program until the mechanisms of this have been defined. We have reserved time from our overall budget to perform this evaluation and to prepare a short report on our findings.

13. The work has been carried out by the team we proposed in our proposal of assistance of September 1984. Miss Mary Kennedy has been the principal consultant, responsible for supervising the interviewing schedules and verifying data collected by her two assisting consultants Miss Agnes Ochumbo, who provided accounting input, and Mrs. Sally Mukwana, who has special knowledge of the organisation and structure of the Government of Kenya.

14. Mr. Tom Meighan provided day-to-day management and co-ordinated the work of this special study team with that of the monitoring team. Mr. Paul Shelton, the Director of our consultancy, provided overall direction of the project and was responsible for controlling the quality of work performed.

Structure of the Report

15. We have structured this report in a manner designed to provide the reader with an overall grasp of the current Drought Emergency Relief Program, without at the same time overburdening the text with detail.

16. In Section II we provide a broad background to the circumstances of the drought, the actions taken and the progress to date as a context for our specific reviews of each of the implementing agencies. We then introduce the implementing agencies which we will be discussing in the succeeding sections.

17. In Section III we present a brief summary of our major findings, concentrating on the weaknesses we perceived in the current administrative system. We make outline

recommendations for changes we consider desirable. While this section provides an overall assessment of the current Drought Emergency Relief Program, we do not advise that it is read in isolation from the main text, which contains the evidence from which our conclusions have been drawn.

18. In Sections IV - VIII we examine the implementing agencies' in turn, providing for each information on the organisation and personnel, physical equipment and capability, systems and procedures, and performance to date. Detailed systems descriptions have been provided as appendices and are flagged in the text when appropriate.

19. In Section IX we draw together the individual agencies actions and performance and to examine the program as a whole. We consider the coordinating role of the GOK and offer a broader critique of the progress of the Drought Emergency Relief Program.

Conclusion and Acknowledgements

20. As our firm has strong Kenyan roots and associations, it has been particularly rewarding to us to have had the opportunity to contribute assistance to the current Drought Emergency Relief Program. We were impressed by the will and commitment of many people, spread throughout the implementing agencies, to ensure that the generous aid supplied by the people of the United States of America reached the intended recipients as quickly as was consonant with effective control.

21. While we have criticisms to make in some instances, we would like to thank all the officials who gave generously of their time and knowledge to enable us to prepare this report.

SECTION II : BACKGROUND TO THE DROUGHT EMERGENCY RELIEF PROGRAM

Introduction

22. In this section we provide a brief background to the circumstances of the current Drought Emergency Relief Program. We first provide a relevant outline of Kenya's demography, agriculture, and climate, with particular emphasis on the drought areas. We then describe the events leading to the Drought Emergency Relief Program, and the response of the Government of Kenya (GOK) and the Government of the United States of America. We conclude by providing a brief introduction to the implementing agencies which we discuss in the succeeding sections of our report.

Demography, Agriculture, Climate

23. Kenya covers an area of 583,000 square kilometres on the eastern seaboard of Africa. The population is estimated at 19 million currently and is growing at a rate of 3.8% per annum. The last census was taken in 1979, and highlighted the great difference in population density, from 2 people per square kilometre in North Eastern Province to 211 in Nyanza Province.

24. The variable population density reflects the prevailing climatic conditions and agricultural fertility of the eight Provinces of Kenya. Of Kenya s total mass, only 7% can be described as good agricultural land, in the sense that it has adequate and reliable rainfall, good soil and is not steeply sloping. Another 14.5% is arable, but subject to periodic drought and crop failures. A further 20% of the land is suited to pastoral farming. The remaining 60% is semi-desert.

25. Despite this, the agricultural sector in Kenya experienced high growth rates (around 4.6% p.a.) from Independence to the mid-seventies. This was due to the introduction of high yielding maize varieties and expansion of crop production on unutilized or underutilized land in high potential areas. From the late seventies to date the rate has slowed considerably, to about 2.7% p.a., which is substantially less than the population growth rate.

26. It is difficult to ascribe any single reason to the decline in agricultural growth. There are several inter-related factors which include:

- no recent yield increasing innovations (like hybrid maize);
- less favourable climatic conditions;

- little expansion of production in arid and semi-arid areas;
- an unfavourable government price control mechanism;
- slow growth in land consolidation;
- a shift of production from food to cash crops.

27. Kenya is now a regular importer of wheat. Maize sufficiency is partly dependent upon favourable climatic conditions in the 14.5% of the land mass that can expect periodic drought, and partly dependent upon favourable producer prices to ensure enough is planted.

28. In 1979/80, producer prices were low; there had been a succession of above average harvests and more grain was available for purchase than usual. The excess was exported, as there was inadequate storage space. However, the consequence of this was that farmers did not plant enough maize, and when, in 1980, there was a much smaller harvest, GOK had to import food on an unprecedented scale.

29. This crisis forced the Government to examine the effectiveness its agricultural policies, and led to the production of the "National Food Policy" paper in which the Government of Kenya set out the actions necessary to prevent such a potentially disastrous situation occurring again. The major objective of the National Food Policy was that Kenya be self sufficient in food within ten years. This was to be accomplished by encouraging small scale farmers to plant more food crops, by providing agricultural expertise to the smaller farmer and by building adequate storage space.

30. Some progress has been made, although not enough to forestall another crisis if the climate should prove adverse. Kenya, however, has escaped the worst effects of the devastating drought that has hit sub-Saharan Africa since 1981. While the rains failed in Northern Kenya, this is a traditional drought area with relatively well-established relief organisations. In 1983 though, the rains also failed in the areas to the east of the Rift Valley which include the populous districts of Meru, Embu, Kitui, Machakos and Laikipia. In these areas the rains failed again in the first rainy season (March to May) of 1984, making three successive dry cycles. There were negligible harvests and, in addition, in the mixed farming areas, cattle were dying in large numbers (now estimated by the GOK to be around 50 - 60% of stocks in the worst affected areas).

31. In June 1984, GOK was facing a drought affected area of around 3 million sq. km., with a total population of

about 3.5m people. In Figure 2.1, at the end of this section, we show the area affected. While only 1.2m. people were estimated to be in real distress by the Government, this still represented a relief food requirement of a minimum 12,000 tonnes per month.

32. Although the major maize producing areas centering on Kitale in the West were unaffected by drought, GOK, aware of the total food requirements, stocks held in warehouses and the expected harvest, estimated that the country would run out of food by December 1984 unless an import program could be begun immediately.

33. The Government of Kenya proposed to buy maize and wheat on the world market, but appealed to donor agencies for free food or long-term loan facilities to supplement this. USAID responded with an offer of 120,000 tonnes over a six month period as free aid. Of the total, 40,000 tonnes are intended to be monetized by GOK to help defray the costs of distributing the remainder. The Government of Kenya had directly imported over 350,000 tonnes of wheat and maize by December 1984, and USAID had supplied 60,000 tonnes in addition.

Progress and Prognosis

34. In the period between the GOK's appeal for assistance and the first grain shipment arrival at the end of September 1984, heavy reliance was placed on the non-governmental organisations (NGOs) to contain the situation. This was because the NGOs had the organisation on the ground to set up emergency feeding programs rapidly. A special committee was convened of all NGOs, UNICEF and other UN agencies, on which GOK was represented.

35. This Committee decided that emergency food programs would be established or extended drawing on World Food Program supplies already available, distributed through CARE to individual NGOs feeding centres. World Vision, for example, switched its emphasis from development projects, basically mother/child orientated, to sustain a relief feeding program for 115,000 people that used 7,000 tonnes of maize, wheat and milk a month. The normal "food for work" project in Turkana was expanded from 23,000 to 67,000 families.

36. Other NGOs such as Catholic Relief Services and Oxfam responded as well, and food was distributed to the worst hit areas on a continuous basis. However, some tensions are apparent between the NGOs and the GOK, and between different NGOs. These arise from the perceived lack of policy on whether NGOs can draw on GOK supplies now available, and the basis for their distribution - whether food for work, or purely as emergency relief.

37. The combination of the efforts of the NGO's and the GOK has led to the point where the situation is now regarded as under control. To demonstrate this, GOK conducted a press tour of four famine affected districts in the week commencing 14 January, to demonstrate the efficacy of its feeding program. The number of people needing to be fed is expected to begin to fall by the end of this month as maize planted in October is harvested in the famine areas.

38. Nevertheless, there are three factors which will affect the ability of the people in the famine areas to recover, even if there is a good harvest. The first is the extent of the planting which took place in October. It is difficult to quantify this exactly, but, as an example, an estimate has been made from unofficial sources that around 20% of farmers in Meru had no seed to plant, and thus will have nothing to harvest in February.

39. The second is that, in the mixed farming areas, cattle sales are the source of cash to buy items to supplement the diet, such as oil. It has been estimated, by Government, that up to 50% of the cattle in these areas have died as a consequence of the drought. Unofficial estimates would put this higher, at around 70%.

40. The third is the effect of the armyworm infestation in November. Armyworms are the larvae of a moth which traditionally appear in large numbers in a rainy period following a prolonged drought. The larvae attack the folliage of plants; in young maize this leads to stunted growth or death of the plant because inadequate foliage remains to sustain normal growth. While GOK mounted an intensive crop spraying campaign from the start of the outbreak, some effect on the harvest is expected by NCPB.

41. The future prognosis then, is that supplementary feeding will continue to be necessary, though on a smaller scale, until after the second harvest of 1985. The grain currently in the country, and that scheduled to arrive over the next three months, should be adequate to maintain a feeding program at the current consumption rate of 10kg per head per month, for that period.

Implementing agencies

42. Throughout the rest of this report we will be analysing the performance and capabilities of the agencies used by the GOK to administer and implement its Drought Emergency Relief Program. Here we provide a brief introduction to the main agencies and their functions.

43. A Steering Committee of Permanent Secretaries, chaired by the First Secretary, is the policy making arm of the Government in the current emergency, with responsibility for -

(a) appointing private enterprises;

(b) providing necessary services;

(c) providing objectives to the Government bodies involved;

(d) convening a Task Force to deal with the day to day activities of the Drought Emergency Relief Program.

44. The Task Force comprises eight members, representing the major Government Ministries involved, namely the Transport, Agriculture and Finance Ministries, the Provincial Administration, and representatives from the major parastatals involved, namely the Kenya Ports Authority, National Cereals and Produce Board and Kenya Railways. Kenya Transport Association is also represented on the Task Force. The Task Force has a Standing Sub-Committee on Transportation, which is responsible for co-ordinating and planning grain movements.

45. The functions of the main implementing agencies are as follows:

- Kenya Ports Authority, (KPA), and its subsidiary, Kenya Cargo Handling Services (KCHS) is responsible for the speed and efficiency with which relief food enters the country through Mombasa Port;

- National Cereals and Produce Board, (NCPB), is responsible for co-ordinating the movement of grain from the port to the final destination, and for providing the necessary storage space at each stage;

- Kenya Transport Association, (KTA), is responsible for providing lorries and trailers to transport grain by road to destinations designated by NCPB;

- Kenya Railways, (KR), is responsible for supplying wagons to move grain to destinations designated by the NCPB;

- Provincial Adminstration is responsible for identifying recipients of relief food, preparing distribution plans on this basis, requisitioning food, and supervising and reporting on its distribution.

SECTION III - SUMMARY OF MAJOR FINDINGS AND RECOMMENDATIONS

Introduction

46. In this section, we summarise the major weaknesses we found in our review of the Drought Emergency Relief Program and we make recommendations for change. Our recommendations are not specifically confined to changes necessary for the administration of PL 480 grain, as there are certain weaknesses within the overall Drought Emergency Relief Program which are general in their effect. We discuss each agency in turn, then discuss the overall co-ordination of the Program.

National Cereals and Produce Board

47. Our review of NCPB concluded that the overall performance of this implementing agency has been good. We were pleased to be able to work with NCPB officers to develop separate tracking systems for PL 480 grain that were implemented very rapidly.

48. However, we identified the following areas of weakness:

    (a) a lack of an adequate resource pool of trained personnel to provide cover for overstretched key managers;

    (b) a shortage of storage space in the famine areas, leading to distribution inefficiencies;

    (c) a lack of procedures covering the ordering, control and follow up of vehicles for transport of grain, leading to congestion at warehouses and depots, or lack of transport availability.

49. We recommend that NCPB identify and train a resource pool of managers to form an internal "Task Force" as a contingency for the future. These managers will be responsible and accountable for specific key areas such as the co-ordination of transport and warehousing in Mombasa, and the planning of storage and distribution chains. They should develop expertise in more than one area.

50. We think that to accompany this training effort, procedures manuals should be prepared to cover a similar emergency situation in the future, incorporating authority levels, document preparation and amendment procedures.

51. We recommend that there is a review of the capability of NCPB s current storage depots in the light of the current crisis, in order to help specify the future building program. This review should cover· location, capacity, population catchment area, and distribution

channels (including accessibility during the rainy seasons). We further recommend that GOK investigate the possibility of building strategic depots in traditional famine areas, and provide for the cost of maintaining those which it will not be economic for NCPB to use on a normal commercial basis.

52. We recommend that an ordering, control and follow up system for vehicle transport of grain is designed and installed. This should include journey times, depot of receipt s offloading capacity, and available storage space.

Kenya Ports Authority / Kenya Cargo Handling Services

53. Our review of KPA/KCHS, while concluding that overall performance has been good, highlighted the following areas of weakness

(a) a lack of clear responsibility between the two organisations for containing spillage and waste;

(b) the poor condition of the vac-u-vators, some cranes and some grabs;

54. These two weaknesses are inter-related. If the physical condition of the equipment is poor, more wastage will be accepted; if wastage is accepted as inevitable, little care will be taken to minimise it.

55. We recommend that, as a short term solution, supervisory level training is carried out, concentrating on man and materials management. We suggest that the training program should mix supervisors from KPA and KCHS in order that each organisation can gain a better perception of the operational problems of the other.

56. As a longer term solution, we recommend that the Port considers increasing its capacity for bulk offloading by the purchase of more vac-u-vators.

Kenya Transport Association

57. We concluded from our review of KTA that:

(a) there are sufficient vehicles available;

(b) effective measures have been taken to provide security in transit;

(c) the systems and procedures adopted are conceptually sound and compliance with them is good.

58. We are however, concerned that the KTA operation is vulnerable to criticism because one man is so closely identified with the institution of procedures that are

perceived as advantageous to his companies - the order allocation procedure is a specific example that has caused disquiet among other main contractors.

59. We think that the service provided by KTA as a whole has been commendable, but we are concerned that the organisation currently employed may be vulnerable to rivalry among the transport firms and to accusations of bias.

60. In order to address the problems of rivalry and perceived bias, while retaining the advantages of the co-ordinating body, we recommend that:

(a) the current KTA systems and procedures are formalised in a manual;

(b) a more objective system of order allocations is developed;

(c) the GOK specifies by directive to NCPB the criteria to be met before a contract for grain transport can be awarded; these should include the size and numbers of vehicles to be owned, extent of subcontracts, indemnity insurances and performance bonds;

(d) an external and impartial co-ordinator of road transport is appointed by GOK to ensure compliance with procedures and guidelines.

Kenya Railways

61. Our review of KR indicated that there are no acceptable short-term solutions to the problem of locomotive shortages. Only by seriously disrupting the transport of other important commodities or by cancelling passenger services can KR transport more relief food than it has to date.

62. We do not recommend that either of these courses are pursued, as road transport is adequate for the current Drought Emergency Relief Program. We think that the limited resources of KR are being used well and, given the physical limitations of the network, efficiently, in transporting grain to millers.

63. As a longer term solution, to enable KR to contribute in the case of another famine emergency, we recommend that technical assistance is sought by GOK to upgrade diesel mechanic s skills, and that donor assistance is sought for the purchase of new locomotives and spare parts to support the locomotives already in use.

Provincial Administration

64. Our review of the effectiveness of the Provincial Administration in the current Drought Emergency Relief Program concluded that:

(a) communications between the centre and the districts are not good, and communication from the district level to the sublocation level is of erratic quality, although the concepts are sound;

(b) there was little evidence of pre-planning of the role of the Provincial Administration in terms of physical equipment available, training in relief administration, or development of effective control procedures.

65. We think that the two major weaknesses of poor planning and communications can be addressed through the preparation of procedures manuals to cover all aspects of relief administration.

66. We recommend that such manuals be prepared and are accompanied by intensive training of staff in the skills necessary for effective implementation. We recommend that particular attention is paid to the Chief and Assistant Chief levels.

Overall Co-ordination

67. We identified the following weaknesses in the overall co-ordination of the Drought Emergency Relief Program:

(a) an inappropriate and ad hoc organisation structure;

(b) an absence of detailed planning, particularly of the logistics of distribution.

68. Accordingly we recommend that, in any future Drought Emergency Relief Program, an overall Drought Co-ordinator, with executive powers, is appointed by GOK. This person would be wholly accountable for the speed and efficiency of relief operations, including liaison with NGO s and donor agencies.

69. We recommend that the Drought Co-ordinator is supported by a team of professional, experienced staff to co-ordinate the logistic flow from Mombasa to the final user. We further recommend that experts from relevant Ministries are seconded to the Drought Co-ordinator's team to carry out (for example) nutritional needs assessment, population movement census, and crop surveys in the districts to assist the longer term plans for recovery from the drought. This would supplement the skills of the Provincial Administration.

70. We think that a handbook, laying down GOK policy in respect of Drought Emergency Relief Programs, is essential in order to direct the efforts of such a team, and we recommend that such a handbook be prepared.

71. We recommend that this policy document is supported by written procedures, and appropriate documents are designed, to be readily available in advance of an emergency situation. Such a procedures manual will then form the basis of the GOK's own audit of its relief programs.

SECTION IV - MAJOR FINDINGS, KENYA PORTS AUTHORITY AND KENYA CARGO HANDLING SERVICES

Introduction

72. In this section we present our findings and conclusions on the capabilities and performance of Kenya Ports Authority (KPA) and Kenya Cargo Handling Services (KCHS). As they are interdependent agencies, we have treated them together. We define responsibilities and actions for each individual agency where appropriate.

Background

73. KPA was established in 1977 to succeed the East Africa Harbours Corporation. Under the terms of the Act establishing it, KPA is responsible for managing the physical infrastructure of Kilindini Deep Water Harbour at Mombasa (Mombasa Port).

74. Specifically, KPA is responsible for:

    (a) provision of harbour services (pilots and tugs);

    (b) ensuring the availability and fit condition of berths;

    (c) maintenance of fixed equipment, such as cranes, storage and transport facilities;

    (d) security within the Port.

75. KCHS is a wholly owned subsidiary of KPA charged with managing the loading and offloading of all cargo at Kilindini, under an agreement with Kenya Ports Authority. This means that they are responsible for the provision of labour and availability of movable offloading and loading tackle. KCHS provide the clerical and operative staff to manage, perform and provide records of cargo loading including offloading and storage management.

Organisation and Personnel

76. In Fig. 4.1 and 4.2 we present a highly simplified chart for KPA and KCHS, showing the Operations structure of each.

Fig. 4.1 Operations Staff for KPA

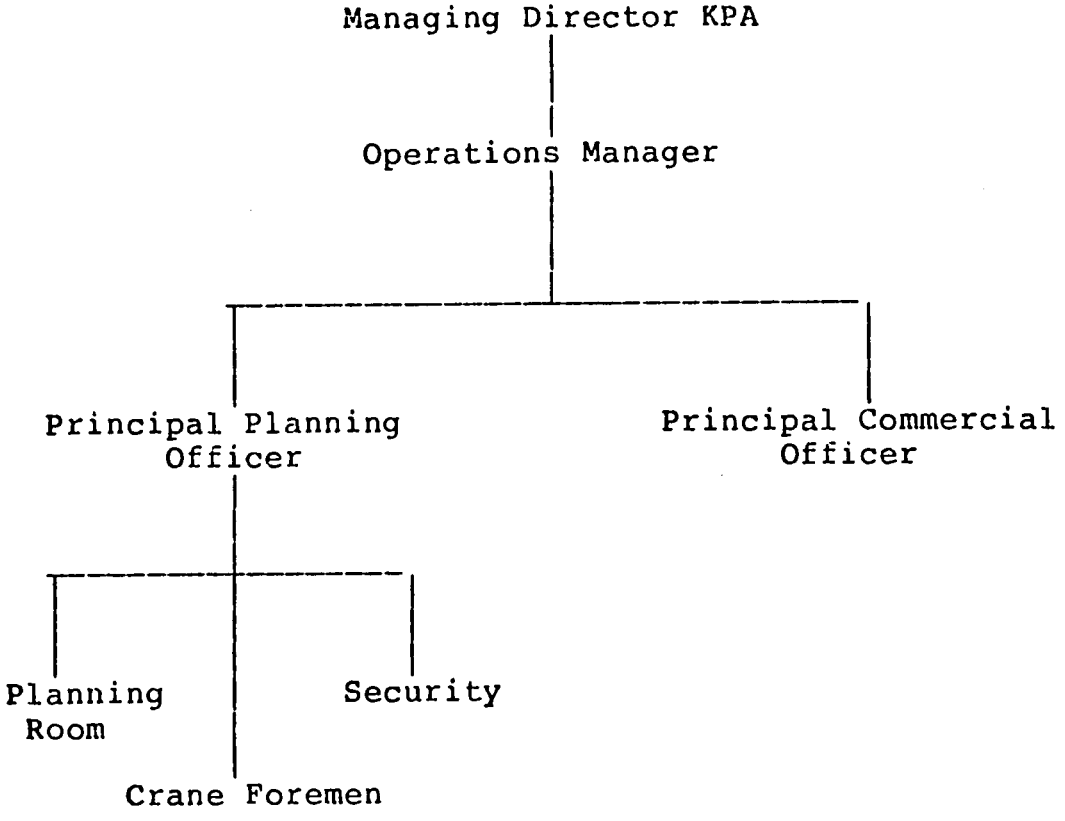
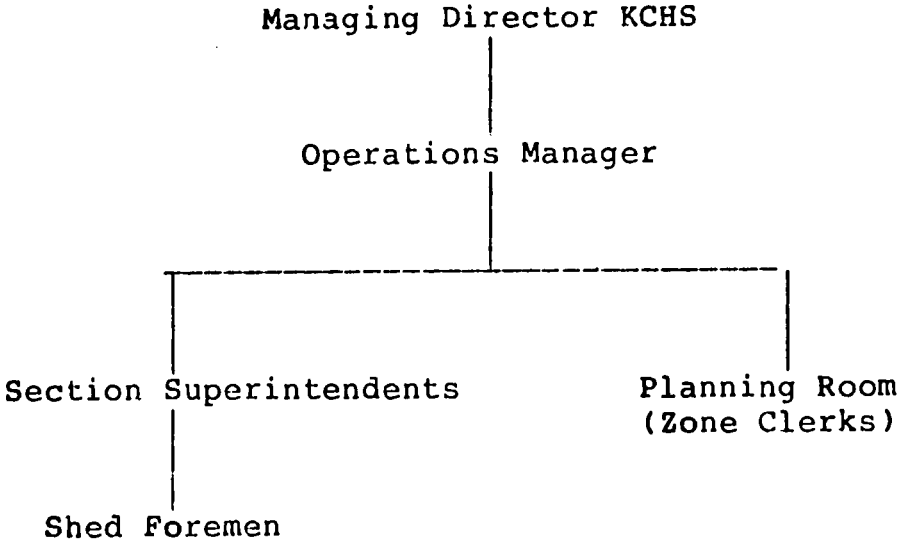


Fig. 4.2 Operations Staff for KCHS



77. In our review of the organisation of the port, we were primarily concerned with establishing whether the organisation structure was sound, in terms of efficient communications and responsibility and whether the personnel controlling the Import Program were adequately trained.

78. We were initially apprehensive about the overlap of functions and responsibilities between KPA and KCHS. Both KPA and KCHS maintain almost parallel operations functions. We thought this might lead to unclear accountability.

79. On the basis of our review of these organisations, we consider that the respective responsibilities are reasonably clear but some difficulties do exist, as the example below illustrates.

80. Provision, maintenance and operation of cranes is a KPA responsibility. Provision of slings, grabs and ground labour gangs to work the cranes is a KCHS responsibility. KPA provide a Crane Foreman to supervise the operation of cranes. KCHS provide a Section Superintendent to supervise the offloading. When we observed excessive spillage of grain during the offloading of a bulk ship, we discussed the matter with the KPA Principal Planning Officer, who reprimanded both his subordinate, the Crane Superintendent and the KCHS employee. Both supervisors were unwilling to accept responsibility and the situation did not improve until the KCHS officer to whom the Section Superintendent reported was also involved.

81. It is also unclear as to where responsibility for replacing or upgrading equipment lies. KPA has overall responsibility for the provision of port services but has subcontracted cargo handling to KCHS. The movable physical equipment for offloading cargo, such as grabs, slings and vac-u-vators, are kept by KCHS. In the case that this equipment is inadequate, or in poor condition, KPA officers regard this as the responsibility of KCHS. However, KCHS officers, in the absence of any agreement by the KPA to upgrade the equipment, continue to use the existing equipment. Similarly, the efficiency of KCHS is affected by the reliability of the cranes, which are a KPA responsibility.

82. Our assessment of the competence of the staff performing managerial tasks was that they were experienced, qualified and well-motivated to ensure the success of the Drought Emergency Relief Program and the safe and speedy handling of PL 480 grain. We did not undertake any review of supervisory and operative levels. While performance at this level has been good, evidenced by the speed of offloading discussed under the section on performance later, there have been periodic press reports alluding to a labour dispute among KCHS operatives. This dispute is

unconnected with the Drought Emergency Relief Program, but, should a go-slow or strike be instigated, would obviously severely affect it. However, it is unlikely that the GOK would permit such action by the unions.

Physical Assets and Capability

83. Kilindini deep water harbour is situated on the South of Mombasa Island, five hundred kilometres on tarmac road from Nairobi. It occupies an area of roughly 20 sq. km. which is bounded by fencing or by water. Within the port, there are tarmac roads in good condition leading to all berths and office buildings.

84. Mombasa Port is one of the largest and busiest ports in Africa. In 1982, 1308 vessels entered Mombasa (over three each day) and a total of 6,558,000 tonnes were handled (4,194,000 of which were imports) giving an average of nearly 18,000 tonnes per day. There are plans to increase its capacity, but currently it has thirteen normal berths, two container berths and one berth reserved for loading or offloading dangerous cargo. Of the thirteen normal berths, six are better suited to offloading of grain, because of the superiority of the cranes in place, offloading space and turn round areas for lorries.

85. Each of these six berths has between four and six cranes permanently fixed in place, each capable of being fitted with grabs for bulk offloading. There are also seven mobile cranes, which have been used to offload grain by supplementing the normal fixed cranes. The mobile cranes are relatively new, less than six years old. The fixed cranes are in varying states of repair, and crane breakdowns are a major cause of lost time when offloading.

86. There are two covered sheds for storage of cargo situated by each "section", which comprises two adjacent berths. The storage sheds are capable of holding up to 3,000 tonnes of grain. They have loading and unloading bays, so, when necessary, this can be carried out simultaneously. Each berth has access for railwagons.

87. KPA discourages storage at the port because of space limitations; only two days are allowed free of charge. After this period of grace, charges are levied at the rate of KShs 12 (US Dollars 0.75) per tonne per day. There have previously been problems in clearing relief grain from the port, particularly that destined for other African states such as Ruanda and Burundi, because no clearing agent has been identified in advance of the ship s arrival. For this program, therefore, the GOK has given a special concessionary rate of KShs.3 per tonne per day for foodstuffs not cleared, if an official clearer has not been nominated by the time of the ship's

arrival. The consignor of the goods is liable to pay the storage charges.

88. Because of the limited space and proximity of berths, we have found that "losses" occur through grain being offloaded to the wrong shed, or being placed in a stack destined for another country. This does not occur often however, and, when viewed against the total tonnage handled, is not material.

89. We have discussed this problem with the Planning Officer and the Managing Director of KCHS. They are confident that the "in stack" tally system used to count cargo when held in the storage sheds is the most appropriate system for inventory control. We agree with their view, but we are concerned that supervisory control, and compliance with the system, are not as good as we would like. We are especially concerned about the control of valuable, portable commodities such as packets of dried milk. We think that the continuous physical stocktaking of our monitoring team has been invaluable in locating "lost" goods, and would suggest that similar independent monitoring is carried out in the future.

90. According to the way the cargo is packed, bulk or bagged, different methods of offloading are employed. All bagged cargo is unloaded by means of slings, and, with good weather conditions and no mechanical breakdowns of the cranes, discharge rates as high as 3000 tonnes per day have occasionally been achieved. KPA has allowed direct discharge onto trucks with the slings still in place to speed vehicle despatches. If the cargo is in bulk, either vac-u-vators (blowing the grain from the ship's hold into a waiting railway wagon) or cranes with grabs may be used.

91. The method to be employed is chosen on the grounds of:

(a) availability of equipment;

(b) the type of vessel - for example, if a converted oil tanker has been used for grain transport normally the unloading hatch is too small for efficient use of grabs;

(c) necessity for speed.

92. Cranes can be operated with either slings or grabs, depending on whether the cargo is bagged or bulk. There are 29 grabs available for bulk offloading, in either one tonne or one and a half tonne sizes, although of these approximately 50% are in poor condition. This results in spillage and extra work in sweeping and sorting retrievable grain.

93. In addition to the cranes, there are 13 vac-u-vators available to blow grain from the ship's hold to waiting vehicles. Only six of the vac-u-vators are in use, the remaining seven having fallen into disrepair. Even the six in working condition have defects, such as faulty meters, or punctures, which result in performance rates of around 175 tonnes per blower per day. This compares poorly to the rate achieved by cranes (around 700 tonnes per day).

94. However, less concern is expressed about the performance of the vac-u-vators by port officials than might be expected. This is possibly a consequence of the lack of availability of railway transport; even if more vac-u-vators were available, or were in better condition, the rate of discharge cannot be significantly improved unless Kenya Railways can provide locomotive power to move full wagons on a continuous basis.

95. All grain imports have been given top priority for the duration of the Drought Emergency Relief Program. The best equipment and extra labour, when required, is planned when there is a grain ship expected.

Systems and Procedures

96. In our evaluation of the systems and procedures employed by KPA, and their subsidiary organisation KCHS, we were primarily concerned to verify that:

(a) adequate planning systems were in place to prevent delays in vessel offloading;

(b) adequate information on port performance was available in time for follow up action to be taken;

(c) accounting systems were sound and detailed in respect of charges made for offloading and storage;

(d) physical security at the port was adequate.

97. We have thus confined ourselves to discussing our findings in respect of these aspects of the port's operations in this section. Full details of the systems and procedures we discuss here are contained in Appendix 3 to this report.

Planning

98. The planning system in operation at Mombasa port centres around the "11 day list", giving notice of expected arrival times, of ships tonnage, commodities carried and any special remarks. This is prepared on the basis of information supplied by the relevant ships agents. Each day, two planning meetings are held. One is an internal

meeting between KPA and KCHS Operations staff and Kenya Railways. The second is a much larger meeting, fixed at 10 a.m, which KPA and KCHS Operations staff chair, and which is attended by the ships agents, Harbour Master, and Kenya Railways.

99. The internal meeting reviews availability of labour gangs, equipment and rail transport in order to estimate when a berth will be free. The previous day's performance in offloading ships is considered in estimating whether extra gangs should be allocated. Unanticipated difficulties, such as the need to send a grain ship to the stream (the term for the area outside the port where ships can anchor while awaiting berth space), for fumigation (as occurred with the United States of America aid grain carried on M.V. Howell Lykes), are taken into account as they arise. Kenya Railways provide information on how many trains they expect to run from Mombasa and the load capacity of each train.

100. The personnel involved in this meeting then produce the berthing plan for the next ten days on a large planning board. When this has been agreed internally, the information is presented to the 10 a.m. meeting. Some flexibility is allowed, in that ships agents may have more up-to-date information on estimated arrival times, or may need a higher rate of offloading in order to empty the ship to fulfill an export order. For the duration of the Drought Emergency Relief Program, however, all grain ships have first priority.

101. When this meeting is closed, the operational plan is revised if necessary and the board amended. This then provides a detailed plan for the following 24 hours and a provisional plan for the succeeding ten days. An internal review meeting is held at 3 p.m. each day to cover any unexpected contingencies, in order to ensure that the night shift has clear instructions in the absence of senior operations management. Weekend working is planned on Friday afternoon to cover the period until Monday 10 a.m., although senior Operations staff are on call in case of problems.

102. We consider the planning procedures of KPA to be conceptually sound and effective in operation. We accordingly make no recommendations for change.

Performance Information

103. In order to evaluate the quality and timeliness of information on performance, we observed and tracked the documentation raised on the offloading of a vessel carrying United States of America grain. The principal control documents are the Shift Performance records, which detail the labour allocated per shift, tonnes offloaded, and provide comments on mechanical breakdowns,

adverse weather conditions and any other reason for deviation from planned performance. Each Section Superintendent is responsible for submitting the Shift Performance Report at the end of the shift to KPA clerical staff, who compile a Daily Performance Report ready for the internal planning meeting.

104. The source document to derive the tonnes offloaded per ship is the Tally Sheet, kept by the clerk responsible for a particular hatch. When commodities arrive in bagged form, tallying should be accurate, as each sling should carry a stipulated number of bags. NCPB staff provide a counter check, as the NCPB clerks at the port raise a despatch advice on the basis of a physical count, and the bags are counted again on offloading by NCPB warehouse clerks.

105. In general, the tally sheets are adequate for planning purposes, where a few tonnes inaccuracy is not material on a daily basis. As the principal function of the sheet is to provide information for planning, we are not concerned that we observed some inaccuracies in the compilation of the source document for recording the tonnes offloaded, as we describe now.

106. The tallying of bulk, as opposed to bagged, grain is particularly susceptible to inaccuracy, in that some vac-u-vators have no working meters to gauge the amount blown into a wagon, and, when grabs are employed, we observed spillage and "short weight" grabs. However, there are safeguards to minimise the amount of potential loss through mis-recording, as both railway wagons and lorries must pass through a weighbridge, and have accurate weights recorded on the despatch documents before leaving the port. The tally records are not the basis of payment.

Accounting Systems

107. In our review of the accounting procedures of the Port, we found that the system of levying charges is essentially sound and capable of being checked independently. All tariffs are available for inspection in the form of a port tariff manual. Charges are levied principally for stevedoring and handling, at a set rate per tonne. If special services are required, such as trimming and sweeping, these are also at a set rate, depending on the labour employed, and are agreed with the ship s agent (i.e. the person appointed by the ship's owners to represent their interests) before work commences.

108. All charges are allocated by ship, as they are incurred. The KPA have computerised their invoicing system to decrease the workload involved in manually calculating the different types of charges and amounts, but no invoice

is presented before it has been checked and approved by an experienced Revenue Accountant. We are confident that there is very little chance of an erroneous or deliberate under or over charge remaining undetected.

Security

109. Physical security at the port is undertaken jointly by KPA, who have their own watchmen, and the Kenya Police. the police, while within the port, fall under the authority of the Principal Planning Officer (Operations) of KPA.

110. We found no serious defects of concept in the security of the port. Perimeter fences are patrolled continuously, all stores have watchmen, and entry and exit points are controlled by a pass system, with armed police present to physically inspect outgoing vehicles and check documentation. We describe the pass system in detail in Appendix 3.

Performance

111. At the start of the Drought Emergency Relief Program, KPA had a target to offload 2,000 tonnes per day per ship. The operations management considered this feasible if the following constraints to performance were observed:

(a) no more than three grain ships arriving at the same time (so that the best berths could be used);

(b) purpose built grain carrying ships rather than converted oil tankers to be supplied (so that cranes could be used on multiple hatches);

(c) no ship to be sent with a draft of more than 30 feet (so that the ship could be berthed, rather than offloaded in the stream);

(d) ships should carry a load of between 10,000-20,000 tonnes (so that the best berths were cleared quickly).

112. Initial performance was very good, with 3,000 tonnes per day being achieved on the first grain ship to arrive. However, this rate was exceptional. Performance after this slowed, partly because of the unusually heavy short rains in Mombasa, partly because of the poor mechanical performance of cranes and vac-u-vators, and partly because of other miscellaneous factors, such as the need to fumigate an infested cargo (PL 480 MV Jean Lykes for example) or because the cargo was awkwardly stored.

113. The average for the first three months was around 1,500 tonnes per day per ship. This average, while lower than target, was sufficient to ensure that there was an

adequate supply of grain entering the distribution chain, and did not impose a strain on the offloading of other important imports.

Conclusion

114. We think that KPA and KCHS have performed well in the current Drought Emergency Relief Program, and we have very few criticisms to make of the way that PL480 grain has been handled. We do, however, consider that operations at the Port may be improved if:

(a) the organisation and division of responsibilities between KPA/KCHS in respect of the Drought Emergency Relief Program is better defined, with particular emphasis on averting waste of materials;

(b) more reliable and better equipment such as mobile cranes and vac-u-vators is made available;

(c) due attention is paid by donor countries to the known operating constraints in the Port. Two ships carrying PL 480 grain have arrived which are oversize, and cannot be berthed. This means they will be offloaded outside the port into smaller ships, with consequent delay and wastage.

SECTION V - MAJOR FINDINGS, NATIONAL CEREALS AND PRODUCE BOARD

Background

115. NCPB was set up following a Committee of Enquiry in 1979 into the workings of two statutory boards, the Wheat Board and the Maize and Produce Board. The Committee considered that there were benefits to be gained from a co-ordinated national cereals policy and recommended that:

(a) The functions of the Wheat Board and Maize and Produce Board should be merged to form NCPB, which would be responsible for buying, storing and selling all wheat, maize and rice;

(b) NCPB should be responsible for co-ordinating the marketing, storage, distribution and price structure of the three cereals, but the GOK should be responsible for all exports and imports of the cereals;

(c) NCPB should assume control of all storage facilities formerly owned by the Wheat Board and Maize and Produce Board, and the use of these, together with storage facilities owned by the Kenya Farmers Association. NCPB should also be responsible for the construction of new stores;

(d) NCPB should manage the storage of the National Strategic Grain Reserve, but the GOK should be responsible for the maintenance costs of the reserves from general revenue.

116. NCPB is therefore a relatively new organisation and this is the first time it has been required to act as the major implementing agency in an emergency import program. The principal duties that NCPB has assumed over the course of the current Drought Emergency Relief Program are

(a) receiving and clearing grain at Mombasa Port (including provision of bank guarantees);

(b) controlling and co-ordinating road transportation from the Port to storage warehouses in Mombasa;

(c) arranging, where appropriate, the bagging of bulk grain imports;

(d) controlling and co-ordinating despatches to up-country depots in line with the Government s distribution plan;

(e) safe storage in up-country depots;

(f) controlling and co-ordinating despatches from up-country depots to their final destination;

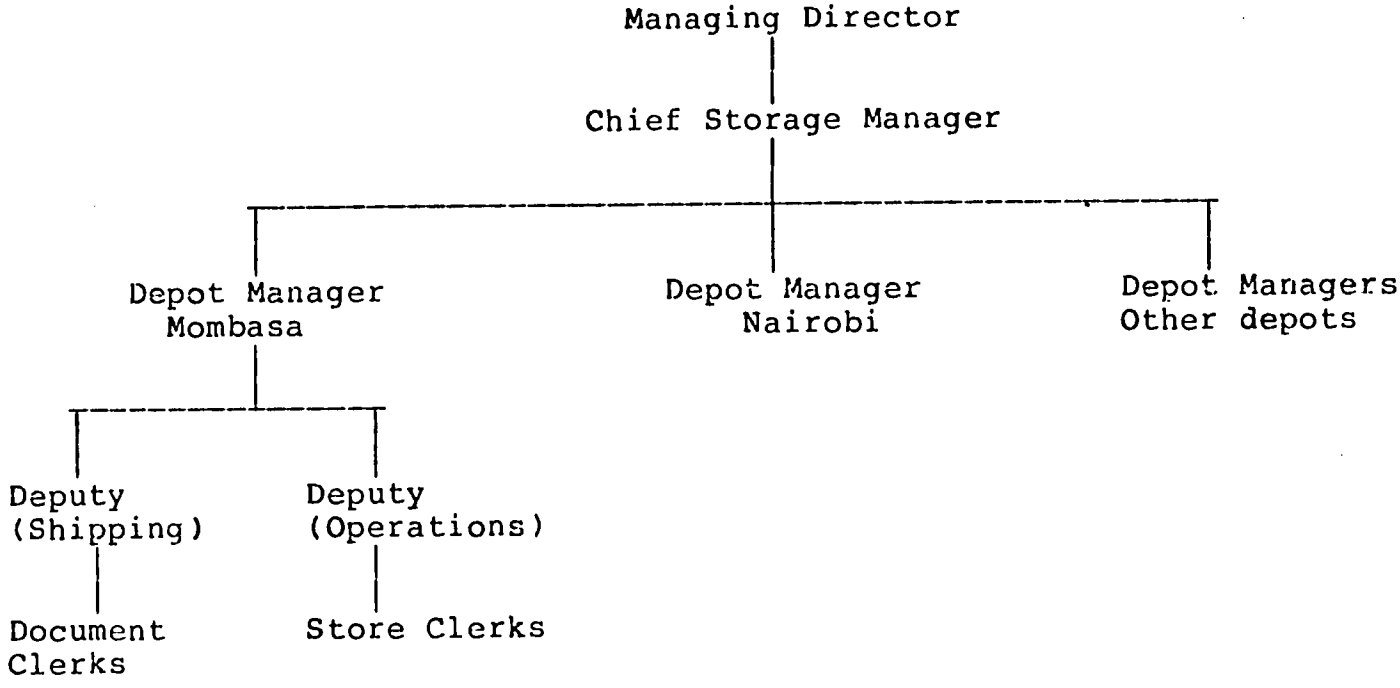
(g) maintenance of financial controls whereby all imported grain can be accounted for up to the final distribution point.

117. NCPB is performing these functions both for the direct imports of GOK and for PL 480 grain. We describe the common features of its handling of all grain, but distinguish PL 480 grain when this is handled differently (principally in terms of unique documentation).

Organisation and Personnel

118. Our review of NCPB s organisation structure led us to conclude that it is essentially sound. However, because of the Drought Emergency Relief Program s volume and urgency, there is probably an excessive workload placed on key people, for whom there is insufficient back up. We show in Figure 5.1 an organisation chart of the Operations team, highlighting the structure at Mombasa.

Figure 5.1 NCPB Depot Management Structure



119. We found that the Depot Manager, Mombasa, was overstretched. This was recognised by NCPB after two months of the Drought Emergency Relief Program, and his responsibility for normal depot management, such as authorising sales, was removed and he was made responsible for all up-country despatches of grain only. However, this is still a taxing task for one individual, and we are concerned that there is no covering deputy. Similarly, the Deputy Depot Manager (Shipping) has

little assistance and has been working under considerable pressure.

120. While no serious problems have occurred due to absence or illness of key officials, we consider it to be an organisational weakness which could affect efficiency if the current emergency continues or recurs. Accordingly, we make recommendations in Section II to address this contingency, in terms of both systems and training.

121. We found up-country depot managers to be capable, and in some instances, good. However, control over the quality of work of subordinates, particularly in matters of timeliness and accuracy of documentation, was occasionally lax. We have discussed this with the appropriate manager within NCPB, and improvements have been observed recently. The problem is not grave, in that mistakes are detected during data verification before input to the computer, but it does affect the speed with which NCPB can supply information.

122. Training of personnel was undertaken by NCPB before the Import Program was underway to try to minimise errors and delays caused by unfamiliarity with the new computer system. This training was supplemented by the issue of an import sub-system procedures manual. We consider that these measures, together with the current management follow-up of consistently bad depots, should be sufficient to control errors and delays.

Physical Assets and Capability

123. NCPB s most important physical assets are its storage depots spread throughout Kenya, which have a total capacity of just under 7.5 million bags of 90 kg each. In addition to this established storage space, Mombasa depot, with a capacity of approximately 290,000 bags, leases storage space from commercial warehouses if necessary.

124. In the course of our study, we visited seven NCPB depots (out of a total of 16 being used for the Drought Emergency Relief Program) to evaluate the adequacy of storage space, cleanliness and orderliness of warehousing, and the control of stored goods. Continuing evaluation of these factors is carried out by the monitoring team on a monthly basis for all stores containing PL 480 commodity aid.

125. The stores which we visited appeared to be adequately maintained. We saw orderly stacking, no signs of vermin infestation, and, in most cases, up-to-date stack cards. Bags were kept off the floor on pallets. We did not find any evidence of serious defects in the storage of grain.

126. However, we had reservations on specific capacities of storage depots in the famine areas. For example, Kitui depot, serving over 200,000 people, had space for only 5,000 bags of relief commodities in mid November - enough to feed 45,000 people for a month at the low rate of 10 Kg. per head. Other examples of this type we brought to USAID's attention in the Monitoring Team's monthly reports.

127. There are also distribution inefficiencies as a consequence of the siting of depots. This is partly a legacy of the merging of the Wheat Board and Maize and Produce Board, and partly a reflection of the fact that NCPB is primarily a commercial concern, which sites its depots in high potential areas, with good transport facilities. For example, Marsabit is supplied from Nairobi depot, involving double handling.

128. We requested that NCPB should keep stocks of the grain donated by the United States of America separately stacked from grain for commercial purchase. This has been done. Owing to floor space constraints, an earlier request that such grain be stacked according to the ship of origin was refused. This sytem could have enabled NCPB staff to reconcile stock held to physical quantities, by shipment, thus providing a useful control. However, we do not now consider this to be a problem as adequate documentation covers receipt into the warehouse.

129. Handling of grain is done manually and there is no shortage of casual labour to unload, bag, stack or load. Weighing machines are present in all stores for refilling damaged bags to the correct weight and for sampling delivery weight (minimum 10% sample). These are regularly checked for accuracy, as NCPB is obliged by law to sell commodities in standard weights and it is a serious offence to sell short weight.

130. Normal commercial sales of maize must be in 90kg gunny bags. We have requested, and NCPB has agreed, that all grain arriving in bulk donated by the United States of America for free distribution is bagged in 50kg bags. We requested this for two main reasons:

(a) for ease of identification when conducting physical stock takes, as there are no distinguishing marks on the gunny bags that will be used;

(b) to reduce the chance that grain intended for free distribution is sold, either in error or deliberately.

131. The PL 480 grain intended to be monetized cannot be legally sold in this size, and this is of some concern to us. We will discuss this in detail in our next and final report on the monetization program.

132. The stock of bags in Mombasa stands at about 1 million to cover the bulk grain arriving that will be bagged (GOK imports of bulk grain are normally railed direct to millers without bagging). The Chief Storage Manager of NCPB does not think that bag supply is a constraint. We have some reservations on this, as the number of bags required depends on the weight put in each bag. Bagging at 90Kgs means that the 1m bags are sufficient for 90,000 tonnes. At 50Kg, 1m bags are sufficient for only 50,000 tonnes. Whether bag stocks are sufficient will depend on the bag weights, and mode of transport, of incoming PL 480 grain.

133. Bagging takes place outside the port, in NCPB owned or leased warehouses. It is completely manual, including the sewing up of the completed bag. To date, the bagging operation has not proved a bottleneck as there is sufficient labour to bag the grain as quickly as it can be delivered from the port. We have considered the use of automatic bagging machines within the port, but do not believe that they are wholly appropriate because, firstly, they are capital intensive rather than labour intensive, and secondly, bagging speed is not a contraint.

134. We do think, however, that some form of hand held stitching machine could be used to improve speed and security when sealing bags. NCPB is aware that small losses of grain have occurred in the past because bags have been loosely stitched, either accidentally or deliberately.

135. NCPB does not own any vehicles for grain transportation. It has registered transporters who have contracts to undertake transportation from the Port to Mombasa warehouses and from up-country depots to final distribution points. For transport between Mombasa and up-country depots, Kenya Railways or Kenya Transport Association vehicles are used. We will discuss these last two agencies separately in following sections.

136. We conclude from our examination of the availability of local transportation in Mombasa for port-to-warehouse transfers that NCPB had a large enough pool of contractors, with about 200 lorries registered with an average capacity of 10 tonnes. NCPB normally uses 35 - 40 trucks a day to work at one bay, but we found that the system for ordering trucks and controlling them was not formalised and we discuss this shortcoming in our comments on the systems and procedures of NCPB later in this section.

Systems and Procedures

137. NCPB is using essentially the same system for the grain imported for relief purposes as that used to control ordinary commercial import and grain distribution

throughout Kenya. We consider the system to be conceptually sound. Movement of grain is controlled by despatch and receiving documentation which we describe in detail in Appendix 4 to this report. Accounting systems are based on matching despatches, receipts, sales and physical stocks on hand. These systems are computerised.

138. We have worked with NCPB computer management and operations staff to implement simple but effective changes to their programs and procedures. These changes ensure that all grain donated by the United States of America for free distribution can be separately tracked and reported on.

139. The changes we have requested are that:

(a) all grain intended for free distribution is identified by a five digit product code, instead of the normal four digit code, from the time of entry into Kenya - this enables computer reports specific to aid food to be generated more easily;

(b) all grain intended for free distribution is packed in 50 Kg. bags to separate it physically from commercial maize in 90 Kg. bags;

(c) all despatch notes carry the name of the ship to the NCPB depot from which final distribution takes place;

(d) all sales orders used to record the release of grain to an authorised official at the final distribution point have a separate Sales Order type code, and are physically overstamped on all copies with "Free Sale";

(e) all "Free Sale" stamps are numbered, with limited authorised signatories at each depot;

(f) computer reports are generated regularly (at least once a month), showing the free grain stock position at each depot (picked up by the extra coding digit), and compared to the physical stock returns submitted by the depot managers;

(g) all "Free Sales" sales orders are picked up by the computer and compared against a manual report on Free Grain issues, compiled by Depot Managers on a weekly basis showing the quantity, authority letter reference, vehicle registration and destination;

(h) any write-offs of grain intended for free distribution are authorised by the Managing Director of NCPB.

140. NCPB have instituted further controls, on their own initiative. These are:

(a) all documentation from depots involved in the Grain Import Program is individually checked (for correct coding) before data input to the computer; any depot with consistent errors is reported to the Managing Director;

(b) all documentation from Mombasa depot undergoes one further check than would normally be the case before despatch to Nairobi;

(c) any error that could have fraudulent intent results in the immediate outward transfer of the responsible member of staff from the depot, pending investigation;

(d) the appointment of external auditors to audit NCPB's payments to transporters on a 100% basis.

141. We consider that the changes we have recommended, which have all been implemented, and the controls which NCPB have instituted themselves, are sufficient to enable the NCPB to account for all the grain that they receive from the United States of America during the Drought Emergency Relief Program.

142. We have reservations concerning the speed at which information can be produced. The transfer of computer documents to NCPB head office from outlying depots is slow; only Mombasa depot has a daily delivery service, but even this is inadequate. Not all source documents can be collected on a daily basis because of non-availability of NCPB transport causing communications problems within Mombasa itself.

143. We have discussed this problem with the relevant NCPB official, who has issued instructions to all depot managers involved in the Drought Emergency Relief Program of the required dates by which data must be received. Some improvement has occurred.

144. We do not, however, believe that the situation will improve significantly in the short term. In the longer term, i.e. within two to three years, NCPB expect to be transferring information from the depots on diskettes, as the computerisation is extended to depot level. This system will provide more timely information.

145. In the meantime, we do not expect that the delays will cause significant problems, as documents relating to aid grain are being given priority, and additionally, the manually recorded systems at the depots can be checked by our monitoring team. The computer reports are then important only for final reconciliations.

Performance

146. We examine below the performance of NCPB in three major areas which materially affect the speed at which food reaches the famine areas. These are:

(a) customs clearance of grain at Mombasa Port;

(b) co-ordination of transport from the Port to Mombasa warehouses;

(c) co-ordination of transport from Mombasa warehouses to up-country depots.

Customs Clearance of Grain at Mombasa Port

147. NCPB have performed extremely well in the area of clearing goods through Customs at Mombasa Port. This is reflected in the fact that NCPB has earned over K£60,000 in despatch money since the start of the Program, because the ship has been able to leave earlier than expected.

148. If all documents are lodged before the ship s arrival at Mombasa, clearance normally takes a few hours. If, however, any of the documents needed for clearing (original bill of lading, certificate of value, phyto-sanitary report, survey report, fumigation certificate) are missing, clearance can take two to three days, and involves NCPB in obtaining bank guarantees to cover the cargo before offloading can begin.

149. NCPB have little control over the arrival of documentation; this is the responsibility of the despatcher. While delays have not been critical, there are expenses incurred in clearing cargo without them. We consider that it would be beneficial if all despatching agencies were informed by the GOK of these requirements, in advance.

Co-ordination of Transport from the Port to Mombasa Warehouses

150. NCPB has co-ordinated the transfer of grain from the Port to Mombasa warehouses efficiently. There have been no shortages of lorries to offload ships and a twenty-four hour supply has been maintained.

151. The average amount despatched from each ship per day has been 1,500 tonnes, i.e. about the rate at which the ship can be offloaded. If there was a requirement for more transport this could be supplied, as currently NCPB have more lorries registered and available with the Mombasa Depot than they use each day.

152. We consider there is some scope for abuse in the awarding of offloading transportation orders to registered vehicles, as it is currently done on an informal basis. The informality could also affect performance, although it has not done to date, as the lack of written schedules of despatch and arrival means that there is no performance indicator of the speed of vehicle turn round and thus little discipline on journey times. Thus vehicles may not be working to optimum performance.

Co-ordination of Transport from Mombasa Warehouses to Up-country Depots.

153. NCPB has co-ordinated the despatch of grain from Mombasa to up-country depots well. Over 175,000 tonnes were despatched by road since October, and a further 100,000 tonnes were despatched by rail, up to December 19th 1984.

154. The current performance has been achieved because the Depot Manager in Mombasa is very experienced, and is working long hours. Another contributory factor is the good liaison between NCPB and KTA, which means that problems of vehicle supply or congestion can be cleared up quickly.

155. However, we consider that performance could be improved by a more formalised scheduling and planning system that would take into account:

(a) journey times;
(b) depot of receipt s offloading capacity;
(c) available storage space;
(d) optimal size of vehicles to be despatched to to each depot.

Conclusions

156. Our review of NCPB s organisation, physical assets and capability, systems and procedures, and performance leads us to conclude that NCPB has discharged its functions as an implementing agency well.

157. We are concerned that key people are overstretched, and that there is an absence of logistical planning capability. Although this has not been critical in the exercise to date, we think that measures should be adopted to provide adequate back up and that personnel should be trained in logistics planning.

158. We also have reservations concerning NCPB's storage capacity, and its locations. We note that NCPB has received a directive to proceed with the construction of strategic depots in traditional famine areas; we think that this is crucial for any future emergency. Until

this has been done, we think that NCPB will continue to experience storage shortages and distribution inefficiencies, especially when the famine areas begin to harvest their own crops.

159. We are confident that NCPB now have a sound procedure for tracking receipts of PL 480 grain and its despatch to final distribution points and we think that their receptiveness in amending their systems to comply with our requests is highly commendable.

SECTION VI - MAJOR FINDINGS, KENYA TRANSPORT ASSOCIATION

Background

160. Kenya Transport Association (KTA) is the representative body of the larger haulage companies in Kenya. It maintains offices in Mombasa and Nairobi and has regional representatives in all major centres of Kenya. NCPB awarded a three month contract to KTA in September for transportation of imported grain from Mombasa to Nairobi and the principal storage depots in drought-affected areas. This contract was based on a fixed rate for each bag/kilometre which was approximately a 20% premium on normal rates to ensure that relief commodities would be carried in preference to other loads.

161. There are currently 12 haulage firms acting as main contractors to NCPB. Each firm has put up a performance bond of KShs.350,000 (US Dollars 20,000),indemnity insurance, and has comprehensively insured all vehicles in their fleet.

Organisation and Personnel

162. KTA have a small permanent staff based in Mombasa, Nairobi and Eldoret, which for the Drought Emergency Relief Program has been supplemented by the loan of clerical staff and facilities from two of the main contractors, Coast Hauliers in Mombasa and Highway Carriers in Nairobi. Both firms are owned by Mr. S. Khosla, who is Vice-Chairman of KTA nationally, and Chairman of the Coastal Region of KTA.

163. Mr. Khosla holds daily meetings with all the main contractors to inform them of orders on hand and their allocation each contractor. The Operations Manager of Coast Hauliers is currently acting as the co-ordinator between KTA and the NCPB Depot Manager, Mombasa. The Financial Controller of Mr. Khosla s group of companies is responsible for all KTA accounting.

164. We are a little concerned that one man and his companies are so closely involved in organising the KTA, particularly when his haulage firms are carrying a greater proportion of the grain than any other. However, we consider that the work done by Mr. Khosla on behalf of the KTA, and the performance of the KTA in moving the grain to up-country depots, is highly commendable.

Physical Assets and Capability

165. The twelve main contractors have undertaken to supply a minimum of 450 vehicles. This is composed of their own-fleets and sub-contracted vehicles, normally owner operated. All vehicles must have a minimum load capacity of 10 tonnes, and the average load capacity is 20 tonnes.

166. All vehicles must be in a road-worthy condition before despatch and goods be securely covered in waterproof material, such as tarpaulin. All vehicles and trailers must carry the KTA sticker.

167. The minimum pool of 450 vehicles has now increased to 600, and there are still sub-contract vehicles available. At the average size of 20 tonnes, this gives a total carrying capacity in excess of 9,000 tonnes. However, there are constraints on how many vehicles can be assembled and despatched, because of physical space limitations at the loading and assembly points.

168. KTA has been planning on the basis of despatching two convoys per day (when orders are available) of about 50 vehicles in each. The minimum convoy size for any destination is 10 vehicles, which is the maximum size of convoy that smaller depots can deal with efficiently.

169. Each convoy has an escort vehicle accompanying it, normally a small pick-up, which is responsible for informing the KTA office of problems en route, such as a breakdown, diversion or blocked roads. The KTA then liaise with the relevant agency. If it is a breakdown that cannot be repaired on the road, the transport firm is contacted (to arrange retrieval of the lorry). If there is an unexpected diversion, or blocked road, KTA advise NCPB, so that an alternative destination can be nominated.

170. Walkie-talkie radios were ordered in September to aid communication between the lead and tail vehicles of convoys and the KTA officials based in NCPB depots. These have now arrived and KTA officials are waiting for an import licence to be granted. They should be available and in use within the next month.

Systems and Procedures

171. On award of the contract, the KTA devised a common documentation system to be used for all transactions involving transport of imported grain. This system controls the loading, despatch and payment on a vehicle by vehicle basis. Currently, it is being transferred to computer to speed up the availability of information but the original manual system will be maintained for the first three months of the computer conversion, to ensure that any errors in the program will be rapidly detected and eliminated.

172. We describe the system in detail in Appendix 5. We confine ourselves here to commenting on control and security aspects. The most important feature is that independent checks exist, through NCPB documentation, for the crucial loading, unloading and payment points. While the KTA system does not uniquely identify grain donated

by the United States of America (although this can be identified by the number of bags carried) we do not consider this a serious drawback. KTA officials have offered to provide our monitoring team with full details of any transportation of such grain on request, and already provide the monitoring team leader with a copy of the telex sent on despatch of a convoy to alert NCPB.

173. Control of vehicle despatch is accomplished through centralisation of all loading through the KTA. On the basis of a percentage allocation of available orders, established through the performance of each of the main contractors during the first two months of the Import Program, loading orders are issued by the KTA office to individual registered vehicles. No vehicle can be loaded without a KTA loading order, which is part of a sequentially numbered set, with a copy always retained by KTA. These are open to inspection by our monitoring team.

174. The loading order used to authorise loading at the designated warehouse is surrendered to KTA by the driver after loading in order for a Movement Permit to be obtained (Movement Permits are required by the Government of Kenya for all grain transport). Each vehicle must obtain all relevant documents (loading order, NCPB despatch advice, movement permit) before a KTA consignment note is raised, after which the vehicle can be placed in a convoy.

175. We did not find any irregularity in the system of authorising despatch in terms of potential to misappropriate grain. We are aware that, initially, warehouse clerks were interfering with the system, by re-directing lorries to other warehouses, (because the longer grain stays in a warehouse, the more money it earns the warehouse). Similarly, lorry drivers would attempt to get their destination changed, to a longer distance journey. KTA met with the warehouse owners and the NCPB and this is now no longer a problem. It does, however, reinforce our suggestion that a more formal planning system at NCPB would be beneficial.

176. Few problems have been experienced with security in transit so far. The convoy system, with a chase vehicle, supported by Government of Kenya Administration Police posted along the route seems adequate. The fact that hauliers are responsible for loss in transit seems also to act as a deterrent. We are aware of one serious incident. A lorry carrying commercial grain was found to have bags missing, and the top layers had been bled, when it was intercepted on the road. A member of the public had reported seeing two or three men acting suspiciously on the top of the lorry which had pulled off to a side road. The driver was suspended immediately, and the haulage firm whose vehicle it was are liable to pay the cost of the missing grain.

177. The system of payment is wholly dependent upon the KTA office in Mombasa receiving proof of delivery, obtained from the NCPB depot of receipt. The amount recorded as delivered is checked against the amount despatched as recorded on the daily ledger and, now, also against the records on the computer. Thus, even if collusion existed between a haulier and a receiving depot to return a lower figure as received than had been despatched, this will be detected (NCPB, as described above, have a similar matching system, which is a double check).

178. Payment is made on a weekly basis by NCPB to KTA on presentation of an invoice for the total sum, supported by a telex detailing the truck, destination and amount carried. Normally, NCPB pay 10% under the amount invoiced to allow for any wastage/loss not apparent at the time of payment, to be adjusted after reconciliation.

179. KTA are then responsible for distributing the agreed rate to the main contractors, (2.5% of the rate given by NCPB is withheld to cover KTA s administrative costs) based on the record of which vehicles were registered under the contractor for which proof of delivery has been received. The payment advice is presented in summary form, showing how many bags were transported to which destination, and the total distance travelled. Any shortages advised by NCPB on the Receiving Advice are deducted. If required, KTA can give an itemised breakdown vehicle by vehicle. The main contractor is then responsible for paying his sub-contractors.

180. We consider that the system of payment is sound. Adequate controls are in place to enable any dispute to be settled. We are aware that there were initial problems when vehicles assigned to a destination were diverted to another without authorisation, but this has been stopped after meeting of the KTA and NCPB officials. Similarly, initially, sub-contractor vehicles were changing from one main contractor to another to ensure maximum loading and this caused problems with the registration system. This has also been stopped.

Performance

181. Since the start of the Drought Emergency Relief Program, the KTA has delivered over 175,000 tonnes from Mombasa to upcountry destinations. This includes all the United States of America aid grain received up to December. At the peak of the arrival of grain, KTA vehicles were transporting an average of 3000 tonnes each day, with a maximum of 6000 tonnes achieved.

182. Turn round times between Mombasa and Nairobi warehouses averaged five days, which was greatly aided by the lifting of the ban on night movement of lorries by the

Government of Kenya for the duration of the emergency. Initially, much slower turn round times were experienced, as poor weather affected access to depots and caused diversions to other depots, which could not cope with the numbers of vehicles arriving, particularly when rain halted offloading (to avoid damage to the grain).

183. Queuing of vehicles led to adverse press reports, as congestion and confusion were experienced. However, in discussions with senior NCPB and KTA officials during this period, we were reassured that better communications between dispatching and receiving depots, with regard to daily offloading capability and improving weather conditions should mitigate the problem.

184. There have been neglibible losses of goods in transit on the overall program - less than 0.25% since September. This includes split bags, water damaged and contaminated bags. Grain supplied by the United States of America has suffered less than this.

Conclusions

185. KTA has sound procedures, adequate vehicles and supporting equipment and facilities, and good administrative staff. We are concerned that the success of this operation is dependent on the personal initiative of one of the main contractors in his capacity as Vice-Chairman of KTA, as the dividing line between his interests as a main contractor and as an official of KTA is not clear. However, the relationship appears to work to the benefit of the Emergency Drought Relief Program.

186. Overall, the KTA has exceeded initial expectations, and has been able to absorb the excess load that could not be handled by Kenya Railways.

187. We think that a significant factor in the success of road transportation has been the present of single co-co-ordinating body, which assumes overall responsibility. It makes communication of the requirements of NCPB, or the Task Force, much easier. We would be reluctant to see a move towards awarding contracts to individual firms, as we think that planning, control and security would suffer significantly, unless the firms could provide the same level of capability currently offered by KTA.

SECTION VII - MAJOR FINDINGS, KENYA RAILWAYS

Background

188. Kenya Railways (KR) is a government corporation, established after the dissolution of the East African Railways in 1977. During the years before the breakup of the East African Railways, the Kenyan railways deteriorated, due to lack of finance for the acquisition of locomotives, rolling stock and spare parts. KR has taken some steps to prevent continued deterioration, by, for example, converting all locomotives to diesel by 1982. New locomotives have been obtained through donor agencies, and a project to upgrade the telecommunications system of KR is presently underway.

189. In 1982 KR carried 2,486,000 passengers, and 4,265,000 tonnes of goods. It is an important means of travel in the rural areas it serves, and this is reflected in the fact that the Government of Kenya decided against redeploying locomotives from passenger trains to freight trains in the current Drought Emergency Relief Program. Similarly, KR is the only means of transport for some freight, such as soda ash (an important export commodity) and the most economic means of transporting essential commodities such as cement and fertiliser.

190. With this in mind, KR and the Government of Kenya agreed that KR should be primarily involved in the transport of bulk grain from Mombasa to the milling companies, at a rate of 2,400 tonnes per day from October to December 1984. Total freight capacity from Mombasa to Nairobi is planned at just under 5,000 tonnes per day.

191. This was considered to be the most efficient use of KR resources in the Drought Emergency Relief Program for two main reasons

(a) ease of access by rail to milling facilities (major millers have their own sidings);

(b) need to keep other essential commodities (such as oil) moving from Mombasa, which are unsuitable for road transportation.

192. Accordingly, KR have transported very little grain intended for famine relief, and will be transporting even less in the future, as the Government of Kenya has, in January 1985, placed a higher priority on rail transport of fertiliser which is needed up-country before April. The revised target for KR is 1,000 tonnes a day from 1st January 1985.

Organisation and Personnel

193. Our review of the organisation and personnel of KR was directed at establishing:

(a) whether the communication channels were effective between the Nairobi Head Office to the operational units, such as Mombasa, and vice versa;

(b) whether communication between functional areas was effective;

(c) whether key staff members appeared to be competent.

194. We found that communication channels are well established. KR is based on a "bottom-up" information flow. Each station reports to a regional office, with a regional control centre compiling the information on orders received, locomotives available and receipts and despatches for the whole region each day. The regional control centres then communicate this information by telephone daily to the Nairobi control centre, where it is collated and passed to the Chief Traffic Manager each morning.

195. This organisation appears to be conceptually sound. Difficulties have been experienced because of telecommunication breakdowns between stations and regional centres, so that a degree of autonomy on local traffic has been allowed. This has been recognised by KR as a source of inefficiency, which is the reason for the telecommunication upgrading project, funded by British aid, which is expected to be completed by 1987.

196. The Chief Traffic Manager, with his two assistants, (who are responsible for Operations Planning and Commercial Planning) is then aware of the existing traffic, potential traffic and equipment availability throughout the network each day. It is then his responsibility to assign priorities to traffic, on the basis of the Government of Kenya s overall priorities, on a daily basis.

197. Communications between the major functional areas of Operations, Commercial and Engineering are formalised in daily and weekly meetings at Head Office and Regional Centres. The most important of these is the daily meeting between the Chief Traffic Manager and his assistants, and the Chief Mechanical Engineer, in which information is exchanged on the planned movement of traffic in order to fulfil customer orders, and expected locomotive availability.

198. On the basis of this information, traffic movements are planned for the following twenty-four hours and the Chief Mechanical Engineer plans his workshop schedule to ensure that the required locomotives will be available.

199. We consider this meeting should be adequate for each function to plan its activities. However, in practice, there are breakdowns in the flow of information on current status in the period after the meeting. For example, a locomotive may be promised for release from the workshops at the morning meeting, and planned in the schedule by operations staff. It is not until the following morning that senior management discover that the locomotive was not released on time, so the train did not run.

200. There would appear to be scope for strengthening the communication flow between the workshop and the operations staff. We would like clearer accountability for who should take action in the case of non-availability of locomotives, and contingency plans for implementation if locomotives do not become available at the planned time.

201. We were impressed with the competence of the KR staff we met. KR has regular trainng programs, and would seem to have good succession planning for top management. This is evidenced by the smooth replacement of the previous Chief Traffic Manager who retired in December.

202. However, the Managing Director of KR considers that the available pool of mechanics to service the locomotives is not sufficiently well trained to provide good service; the rapid conversion to diesel after 1977 has not been matched by a similarly rapid growth in expertise. This would appear to be supported by the fact that very new (3 - 4 years old) locomotives are only achieving availability rates of about 75%, when the normal rate should be 85%.

203. As the greatest constraint on the railways efficiency is the availability of locomotive power, as we discuss in more detail below, we consider that technical assistance in training diesel mechanics is highly desirable.

Physical Assets and Capability

204. The railway network consists of 1,086 kilometres of main line (between Mombasa and the Uganda border) and about 1,028 kilometres of branch lines. The high potential farming land is well served; the drought areas are much less well served. The most useful railway track in the current drought areas is the line running from Mombasa to the Magadi Soda Company, which passes through Konza in Machakos District where NCPB have a siding to the depot. Otherwise the railed goods from Mombasa can only go as far as Nanyuki, and then must be transported by road to the famine areas to the North and West.

205. KR currently have 209 locomotives, in nine classes. The most useful, in terms of grain movement, are the classes

93, 92 and 87. These classes are all capable of hauling 700 tonnes or more. However, the availability rates of these classes are not good; the 87 class is particularly poor, as Figure 7.1 shows:

Fig. 7.1: Locomotive power and availability, 1984

Loco Class	Number	Year of purchase	% available
93	26	1981	76
92	15	1971	64
87	35	1960/69	43
72	5	1967	24
71	10	1965	24
62	56	1965	77
47	35	1981	81
46	22	1968	79
35	5	1976	56

206. Availability is dependent upon release from the locomotive workshops as being fit to run. The poor availability is a consequence of the lack of trained diesel engineers and shortage of spare parts. These two factors also contribute to the lack of planned maintenance routines, which eventually lead to break-downs.

207. KR operations staff plan seven freight trains from Mombasa each 24 hour period. (This gives the total capacity of 5,000 tonnes mentioned earlier). Two passenger trains are also run. The seven freight train plan is rarely met, because of the lack of locomotive availability. Rehabilitation of the 87 class is underway at the moment; this will not have an impact on the movement of grain at the moment, but will increase KR s potential for the future.

208. Shunting locos are generally old and dilapidated - availability of these is lowest of all classes. This shortage leads to inefficiencies at the Port in particular, when full wagons cannot be moved to make way for empty wagons.

209. KR has about 8,000 goods stock units, of varying types. There is no shortage of covered wagons for grain transport. The large number of wagons means that loading and unloading of wagons rarely delays the use of locomotives, as a locomotive can be used to transport empty wagons from a previous trip from a station on the way back; or to pick up export commodities, or other waiting traffic.

210. Upgrading of KR s physical capability to transport more freight of all types is a priority within the 1984/88 Development Plan. Container depots, improved track

relay systems and better maintenance facilities are part of this. Until substantial investments in equipment and training are made, we consider that KR is at the limit of its capability when transporting 1,000 tonnes of grain a day, unless other essential freight is to suffer.

Systems and Procedures

211. Our review of KR's systems and procedures concentrated on three main areas of immediate relevance to the transportation of relief commodities:

(a) planning and reporting;

(b) loading and offloading procedures, including security;

(c) charges for transportation by rail.

We provide more detailed descriptions of these procedures in Appendix 6 of this report.

Planning and Reporting

212. The systems for planning the supply of trains are basically simple. Information on orders on hand, empties, and wagons awaiting offloading, is supplied from each depot to the regional centre, and from the regional centre to the Control Centre in Nairobi, each day.

213. On the basis of this information, and the stated priorities of Government, it is the responsibility of the Chief Traffic Manager to plan the supply and movement of trains.

214. All planning is done in the morning, for the next twenty four hours. Currently, the plan is made on the basis of 100% availability of locomotives. It is only after the plan has been made that the Chief Mechanical Engineer reports on the actual availability of locomotives - that is, locomotives which should have been out of the workshop but are delayed, or locomotives which need unscheduled maintenance.

215. The plan may then be altered, and detailed planning of timings, routes and freight done. This is then communicated back down to the regional centres and from there to the individual stations or depots.

216. Backlogs to the plan occur frequently, as when, for example, seven up-trains are planned from Mombasa but only four actually run because of mechanical problems. The other three trains which have been cleared for movement then re-appear on the next day s plan, unless there is another more important commodity to be moved.

217. Grain movement from Mombasa was the most urgent priority from September to December. This caused serious disruptions to other commercial traffic, and now priorities have been adjusted, to reflect other important needs. The KR target for grain movement is now 1,000 tonnes of wheat per day, 900 tonnes of fertiliser; any other capacity is used for container goods and oil.

218. There is a comprehensive reporting system within KR, which is based on comparing planned performance against actual over the previous twenty four hours, and explaining variances for all main line services.

219. The main report produced on a daily basis is the "Movement of Traffic Previous 24 hours" which is prepared by the Central Control on the basis of the information supplied by the regions. It is a nine page document, covering the three main operational areas of supply, movement and punctuality. All major commodities are shown, including maize movements to millers.

220. There are several subsidiary reports, covering passenger trains, details of maize movements, maize railed, loaded and empty wagons in transit to Mombasa and Kilindini, and supplies to major customers.

221. We think that the reporting system is sound, in that the information is produced on a timely basis, and provides useful information for the operations management plan.

Loading, Offloading, Security

222. KR use locked, covered wagons for rail transport of food commodities, which is why it would have been preferable to transport high value, but portable, items, such as milk powder, by rail.

223. Orders for the required number of wagons are placed daily by large users of rail transport, such as KPA and NCPB. For the current Drought Emergency Relief Program, to assist co-ordination and efficiency, a Sub-Committee on Transportation has been established by the Task Force, on which KPA, NCPB, KTA and KR are represented. The District Traffic Superintendent (Mombasa) and the NCPB Deputy Depot Manager (Operations) Mombasa, also attend the daily planning meetings at the Port, chaired by KPA.

224. On the basis of the priorities communicated to him from the KR Head Office in Nairobi, and the customer requests for loading and despatch, the District Traffic Superintendent is responsible for providing the required number of the right type of wagons to the Port and for providing shunting locomotives to move full wagons.

225. KR have no responsibility for the actual loading of wagons; this is the responsibility of the customer. In the Drought Emergency Relief Program this means NCPB. NCPB has a permanent clerk at the Port dealing solely with KR despatches. He liaises with KCHS personnel, who will organise the discharge of grain into the waiting wagons.

226. As each wagon is filled, the KR clerk seals it and records the wagon number. When a train load has been assembled and a locomotive is available, both the KR clerk and the NCPB clerk accompany the train to the weighbridge, obtain the weight of the freight, and raise the necessary documentation to cover the goods in transit.

227. In KR s case, this is the Waybill. This is a four part set; one copy accompanies the goods to the final destination, one copy is given to the customer, one copy is sent to Head Office in Nairobi, to be checked and then issued as an invoice and the final copy is retained at the point of despatch.

228. On arrival at the consignment point, KR will unlock the wagons when the customer accepts delivery by signing the Consignment Note, which accompanied the freight. Offloading is the customer s responsibility. KR accepts no liability for wagons left unattended at a siding, so NCPB normally sends a representative to witness offloading, to protect NCPB against claims from a miller for shortweight.

229. We consider that the system used by KR to control loading and offloading is sound, and the counterchecks provided by NCPB personnel, if consignment is direct to a miller, adequate. Should KR be involved in transportation of relief commodities (as for example, in the monetization program) NCPB will also provide staff to check consignments.

Charges for Transport

230. The system for charging for rail transport is basically simple. The waybill, raised at the point of despatch, is also used as an invoice. A copy of the waybill is sent by the despatching depot to the Head Office Revenue Section in Nairobi.

231. Upon receipt of the waybill, the Revenue Accountant checks that the charges have been correctly levied. These are determined according to the type of commodity, its weight and the distance travelled. He then passes it to the Computer section, where the relevant data on the waybill (despatch point, consignment point, customer, commodity weight) is input. The computer program then automatically consolidates all invoices for

a regular customer on the 15th and last day of the month, showing the freight carried, mileage, and any discount earned/demurrage incurred, by commodity and the total cost.

232. We consider that there are sufficient checks within the computer program, and the manual verification procedures, to show up errors in compilation of charges. Similarly, tariff handbooks are available for inspection for checking invoices. However, we think that there is potential for confusion when NCPB split charges between grain intended for free distribution and grain intended for sale. We suggest that our monitoring team conduct periodic checks, using the waybill and the NCPB Despatch Advice, on where charges are being allocated.

Performance

233. KR has had great difficulty in achieving the performance target of 2,400 tonnes of grain per day set by the Government of Kenya at the beginning of the emergency. This tonnage represents between 5-6 trains per day out of a total of the seven freight trains KR plans to run between Mombasa and Nairobi.

234. In the light of the locomotive power shortage we have already considered, KR have rarely been able to run more than 3-4 trains to carry grain, with the priority being the transport of wheat to millers depots. The average grain tonnage transported per day between Mombasa and up-country destinations has been 1,500 tonnes.

235. This average has been achieved at the expense of other important freight, which now must be moved. We are not confident that KR will be able to move as much grain in the future as they have done to date, if they are responsible for clearing the 30,000 tonnes of fertiliser currently held at Mombasa before April, as well as cement and oil. It is difficult to estimate what KR may be capable of moving, but we consider it unlikely that the revised target (1000 tonnes per day) for grain will be met, if the current locomotive availability figures remain the same. We do not consider that great reliance should be put on the ability of KR to move the United States of America grain from Mombasa.

Conclusions

236. KR is an attractive mode of transport for bulk grain imports for three main reasons:

(a) less handling;

(b) low cost;

(c) better security.

237. It should be the preferential choice over road transport on these grounds. However, the railway has several disadvantages such as the slowness of the trains, the unreliability of the locomotives, and the physical limits of the network.

238. We do not believe that KR is capable of performing any better than it has done to date without more locomotives, and better maintenance crews. We think that the original performance target did not take KR's other freight into consideration sufficiently. We have been advised by NCPB and KR that this has led to situations where millers received maize, but had no oil to run their machinery.

239. If absolutely essential, KR could improve their freight capacity by ceasing to run all passenger trains; this would give an extra 2,000 tonnes a day. We do not consider this desirable because of the potential social unrest inherent in depriving some areas of a relatively cheap and reliable mode of transport.

240. We were impressed by the calibre of the Operations Staff we met, and consider the training programs and succession planning undertaken by KR to be good. This was particularly evidenced by the smooth reallocation of duties on the retirement of their Task Force member in December. However, there is a dearth of mechanics specifically trained to repair and maintain the newer diesel engines, and technical assistance would appear to be necessary particularly for the American and Canadian manufactured locomotives.

241. The operational planning and follow up of deviations from plan appear to be good, although we question the wisdom of planning on 100% availability. However, KR are also considering a move towards planning on a realistic expectation of locomotive power availability. We were also concerned by the lack of longer term planning, although we accept that the difficulty of planning further in advance probably outweighs the advantages to be gained in normal conditions. Nevertheless, we think that more integrated transport and logistics planning overall for the Drought Emergency Relief Program might have helped KR to maintain a smoother service, and we address this in our overall recommendations.

SECTION VIII - MAJOR FINDINGS, PROVINCIAL ADMINISTRATION

Background

242. The Provincial Administration is the arm of the central government at the local level. It is responsible for disseminating and executing the directives of central government, as passed from the Office of the President, down to the smallest sub-unit of administration, and for providing information gathered from the local level to its parent ministry.

243. In the current Drought Emergency Relief Program, the Provincial Administration has been assigned the responsibility for:

(a) identifying and registering the number of people in need of relief supplies;

(b) requisitioning food supplies on the basis of formal distribution plans;

(c) arranging for transportation of relief commodities * from NCPB depots to final distribution points;

(d) chairing Food Committees;

(e) accounting for all relief supplies;

(f) monitoring and controlling the distribution of food to final recipients.

244. Kenya is divided into eight Provinces. Each Province is further divided, in descending order, into districts, divisions, locations and sub-locations. There is no uniform size to any of the units, in terms of area or population, although as a general rule, the more populated the area, the more sub-locations there will be.

245. Over the last two years, the Government of Kenya has launched an initiative, termed "District Focus", to devolve power from central government departments to the districts. In broad terms this initiative means that districts will be responsible for preparing their own budgets, assigning priorities to their own development plans, and accounting for all disbursements.

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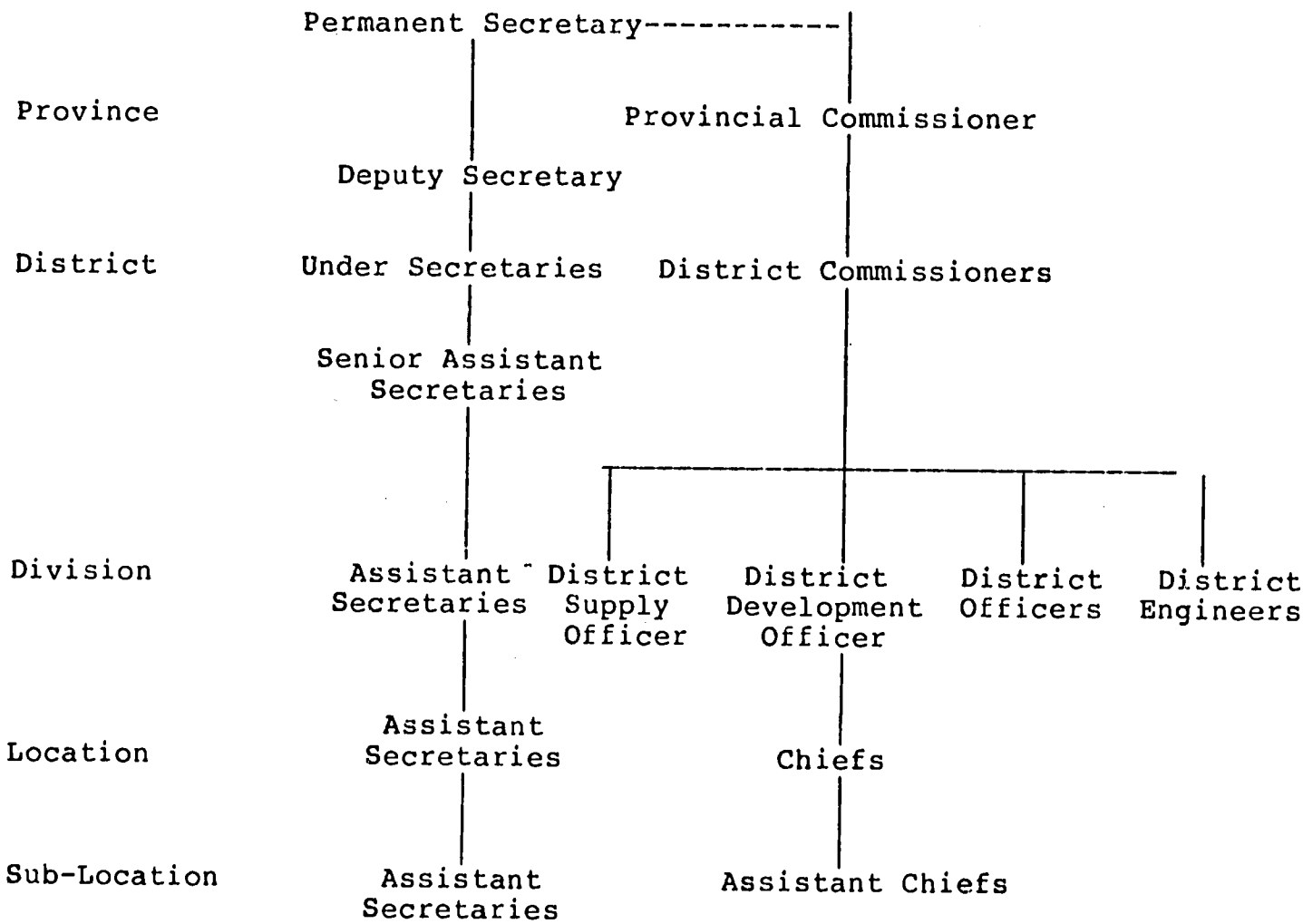
* Up to January 1985, the Provincial Administration was responsible for providing transportation to the final distribution points.

246. The "District Focus" campaign has had many teething problems, not least in the area of training the district administrators and lower level personnel in the necessary skills to enable them to assume such reponsibilities. The current Drought Emergency Relief Program has been administered according to the guiding principles of the "District Focus" as we will explain in the following section.

Organisation and Personnel

247. There are two arms to the Provincial Administration, both reporting to the Permanent Secretary for Provincial Administration in the Office of the President, as Figure 8.1 illustrates.

Fig. 8.1 Organization Chart of the Provincial Administration, showing levels of authority with corresponding administrative unit.



248. As the organization chart indicates, the two arms do not have parallel positions at each unit level. For example, a Provincial Commissioner has a reporting relationship to the Permanent Secretary for Provincial Administration, but has the same grade as a Permanent

Secretary. There is no direct relationship between the level of Under Secretary and the District Commissioners. This is because the duties of the civil servants in the Office of the President are not rigidly defined. Different responsibilities, according to the current need, can be assigned to any member of staff. The staff reporting to the Provincial Commissioner do have specific duties and responsibilities.

249. For the Drought Emergency Relief Program, a Senior Assistant Secretary has been appointed to serve as the Task Force Member responsible for Provincial Administration. He replaced the initial appointee, an Under Secretary, who has been suspended from duty (for reasons unconnected with the Drought Emergency Relief Program).

250. The Senior Assistant Secretary (whom we term the Central Co-ordinator) is responsible for ensuring that all policy directives from the Permanent Secretary for Provincial Administration, in his capacity as a member of the policy-making Steering Committee for the Drought Emergency Relief Program, are transmitted to the Provincial Administration working at the district level.

251. He also acts as a central co-ordinator of all information received from the local arm of the Provincial Administration. He is responsible for informing the Task Force of the numbers of potential famine relief recipients, and of the distribution of previously allocated famine relief supplies (which is provided by the Districts) to enable the Task Force to form an overall distribution plan.

252. Initial communications from the Central Co-ordinator to the Provincial Administration on the ground were poor. District Commissioners were not aware of the arrival of food in their area, nor were they in receipt of any authorisation or instruction to distribute food. This situation improved as the new appointee took charge, but we consider that the absence of formalised communication channels between the various levels in the Office of the President and the Provincial Administration from the beginning of the emergency was a major constraint to the effective distribution of the foodstuffs to the needy.

253. Similarly, communications from sub-locations up to District level, and then on to the Central Co-ordinator, were poor, especially with regard to the identification of the number of potential needy cases. This was not the case in all areas, as the competence and experience of officials varies. In areas where officials had previous experience of drought and famine, administration was much smoother, such as the relief programs in Isiolo and Turkana. In areas with no such history, such as Meru, the inexperience and lack of

training of the administrators, particularly at the Chief and Assistant Chief level, meant that the District Commissioners were not in a position to revise their estimates of people in need. This has now been addressed, and it is expected by the Central Co-ordinator that current figures on the number of people in need will be available by the end of January 1985.

254. To assist the District Commissioners, a policy directive was issued, at the beginning of the Drought Emergency Relief Program, to establish "Food Committees". These were to follow a similar pattern to already established local committees, such as Development Committees. They were to be established at sub-location, location, division and district levels.

255. The composition of the "Food Committees" varies according to the administrative unit they represent (see Appendix 7 for full details), but is based on the same principles of having elected representatives (Councillors, Members of Parliament), local organisation representatives (Churches, businesses, non-governmental organisations) and relevant Provincial Administration Officers (District Commissioner, District Officer, Chief or Assistant Chief) meeting together to ensure equitable allocation of resources at each level.

256. Requisitions for relief food are built from the bottom up the Assistant Chief and his "Food Committee" having good local knowledge, identify the needs of a sub-location, and inform the Chief of the location. The Chief and his "Food Committee" collate information from all the sub-locations in the location and pass this to the District Officer, who performs the same task of collating information from all the locations in his division and passes the information to the District Commissioner.

257. The District Commissioner then makes his request for the required amount of food to the Central Co-ordinator, who presents this to the Task Force, receives an allocation of food and divides it between the Districts. He advises the District Commissioner of the amount he has been allocated. The District Commissioner and his Food Committee are then responsible for allocating available food, on the basis of expressed need, to the Divisions, where the Divisional Food Committee allocates food to the locations, and the Location Food Committees allocate food to the sub-locations.

258. We believe that this approach is essentially correct. The bottom up approach should provide better information than could be obtained otherwise. The "Food Committees" system, by involving prominent members of the community in the allocation of food supplies, should also ensure that this is as fair as it can be.

259. However, in practice, there have been problems. In Kabarnet, for example, the Food Committees were only being set up in December. In other instances, the Chiefs have been reported to be acting unilaterally, and displaying bias towards their own supporters. There have also been cases, such as we observed in Kitui, where the returns from the locations were not checked; the view of the District Officer being that he could not say whether the allocation was fair or not.

260. We think that the organisation to cope with emergency situations should be much better defined, and training should be provided to the relevant Provincial Administration Officials. Particular emphasis should be placed on training at the location and sub location level; Chiefs and Assistant Chiefs are traditionally selected more on the basis of their standing within their community rather than educational level or administrative capability.

Physical Assets and Capabilities

261. The Provincial Administration was responsible, until January 1985, for providing transport to move food from NCPB depots to the final distribution points. Virtually no distribution took place until this responsibility was transferred to NCPB.

262. The Provincial Administration does possess vehicles which could transport grain. However, at the District level, the number of vehicles is totally inadequate to perform more than the most token distribution. For example, the District Commissioner in Kitui, with a total area to cover of 31,000 sq. kms., with an estimated 294,000 people in distress, had a maximum of six vehicles available for food transport. Even the six he could call on were not in a state of good repair, and were also needed to carry out the distribution of seed maize needed for sowing prior to the short rains.

263. The Provincial Administration has no storage space, so all distribution has to be immediate, which clearly restricts the amount of people who can be fed from any location at any one time. We suggested that NCPB selling centres, which have some storage space, should be used as distribution points and this has been taken up in some areas. However, this can only be an interim measure, as the NCPB will require their selling centre space as the districts recover, and people have crops to sell.

264. While transport problems have been addressed by giving NCPB the responsibility of hiring vehicles from their own registered transporters, to be reimbursed by central government, the problem of storage space remains.

265. We do not consider the provision of funds to cover the hire of storage space at the locations to be entirely satisfactory, because of the lack of security, and the potential for abuse in setting high prices for storage. Storage at NGO's distribution points is preferable, although this may cause the problem of confusion between whose responsibility it is to distribute food and account for it. We think that this is an area where our monitoring team should focus their attention, and their work has been planned accordingly.

Systems and procedures

266. We have already highlighted poor communications and the lack of adequate transport as the most serious defects in the Provincial Administration s execution of its responsibilities. We consider these defects are symptomatic of an absence of planning and control and accounting systems.

267. While there are now systems and procedures to cover allocations, authorisations and distribution (for full details, see Appendix 7) these were not in place when the grain began to arrive at up-country NCPB depots, and have only been adopted very slowly. For example, while visiting Kitui in November 1984, we examined the records of the District Commissioner relating to previous distribution of relief commodities. The lists were not standard, and when asked why families of two and families of seventeen (in one extreme case) received the same allocation of food, we did not receive an answer.

268. Standard documentation for recording the issue of relief food was issued by the Central Co-ordinator by the end of November. In January 1985 we have not seen completed returns from any district. In December, in locations in Meru and Kabarnet, chiefs were still, in some cases, unaware of the requirements of the new forms, or had not received copies.

269. Similarly, while detailed distribution plans prepared at each level of the Provincial Administration are supposed to form the basis of the Central Co-ordinator s requisitions of food from the relief supplies available, the NCPB Chief Storage Manager was in fact advising the Task Force on the planned allocation of relief grain, based on previous consumption records in the drought affected districts, up to January. Machakos District, one of the largest in terms of population estimated to be in distress, had not submitted a distribution plan by the beginning of January, although distribution was taking place in this District.

270. Some unfamiliarity among District Commissioners or District Officers with the new finance and budget systems installed as part of the "District Focus" policy

may have contributed to the lack of movement of stocks of relief grain. For example, according to the Central Co-ordinator, districts could apply for more funds from central government to cover extraordinary expenses such as the petrol needed to fuel vehicles distributing relief food. However, very few Districts did apply. We consider that the procedure for obtaining such funds is complex, and no written instructions were issued on the procedure for applying for additional funds. The Central Co-ordinator was, however, ringing District Commissioners to remind them of the procedure.

271. We consider the concept of the system now in place to be sound but we have not been able to verify the practical use of the documentation produced as we have not yet seen the system working. At the time of writing this report, the Government of Kenya s Internal Audit Department had not been involved in designing the documentation to be used, nor had they begun to audit. We were informed that the audit would only take place after the Drought Emergency Relief Program had ended. We consider that it would be preferable if auditing was carried out on a continuous basis throughout the duration of the Drought Emergency Relief Program, so that any defects in record keeping are detected in time to correct them.

Performance

272. We consider the performance of the Provincial Administration to have been inadequate from September to January. Only with the removal of the responsibility to provide transport has any sizeable distribution taken place. Priority has been given to the distribution of United States of America relief grain.

273. Performance in terms of compliance with systems and procedures is also now improving. We think that the Central Co-ordinator has had a significant impact on the way all systems are working.

Conclusion

274. We have three major interrelated criticisms of the Provincial Administration as an implementing agency:

(a) absence of planning and control;

(b) lack of communication between the centre and the localities;

(c) slowness of response.

275. The absence of planning and preparation has been a serious defect, and proved a bottleneck to actual food distribution that could have cost lives. Even

rudimentary planning would have exposed the shortage of transport to effect distribution in the larger districts.

276. Lack of communication, which is a facet of inadequate planning of systems and organisation, resulted in distribution plans based on inadequate information (although this is now improving).

277. The slowness of response is a function of both the lack of planning and foresight, and the lack of good information on which to act. It was compounded by the absence of an effective Central Co-ordinator for three weeks which might have been critical (the period when the original appointee was suspended, but not immediately replaced).

278. We consider that the Provincial Administration is the most appropriate co-ordinator of distribution of relief food. However, it is clear that to function effectively in a future Drought Emergency Relief Program, much more detailed procedures and systems should be prepared in advance, and training in these should be extended to the junior levels of the Provincial Administration.

SECTION IX : OVERALL CO-ORDINATION

Introduction

279. In this section we review the overall co-ordination of the Drought Emergency Relief Program by the GOK. We look at the organisation structure adopted by GOK to administer the Program, and we provide a critique of those aspects of the overall planning, control and co-ordinating systems which we think have affected the speed at which PL 480 commodity aid has reached the intended recipients.

Organisation

280. The GOK has administered the Drought Emergency Relief Program through two main committees: the Steering Committee of Permanent Secretaries (policy making), and the Task Force comprising representatives of the implementing agencies and relevant Ministries (for day to day control and monitoring). We depict the organisation structure in Figure 9.1. (overleaf).

281. This ad hoc structure, using a Task Force, is commonly adopted by GOK to solve specific problems. We consider that there are some defects inherent in using an ad hoc committee to administer a problem of the size and nature of famine relief. These defects are:-

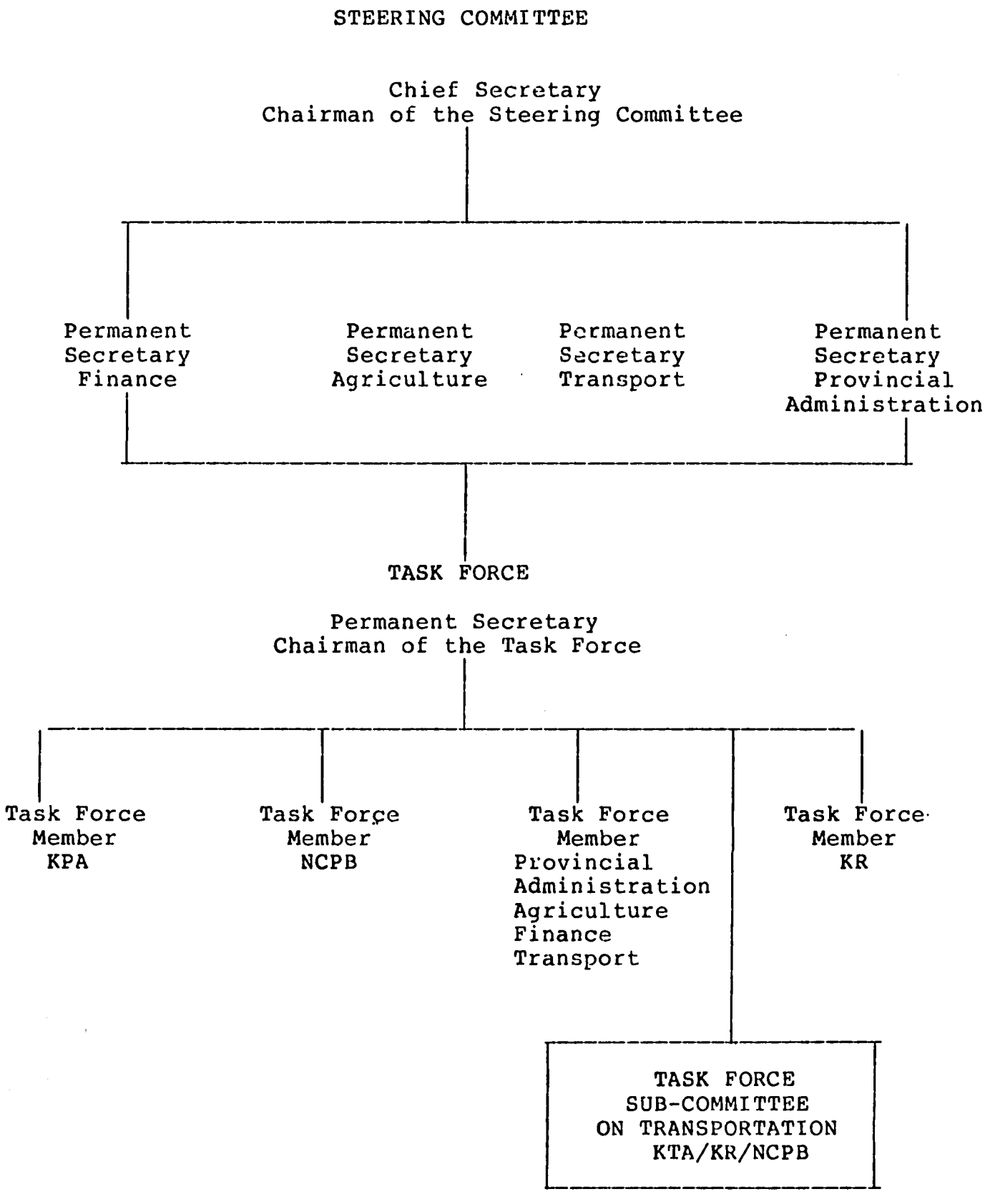
(a) the time delays incurred in identifying suitable members;

(b) the competence and capability of a Task Force member to perform his/her duties can only be ascertained after he/she has been in place for some time, when problems arise;

(c) the time which is lost while the Task Force members identify their respective roles and responsibilities, and develop appropriate procedures;

(d) the absence of executive power among the Task Force members.

Figure.9.1 : ORGANISATION CHART - DROUGHT EMERGENCY RELIEF PROGRAM



282. We consider that although these defects have not proved critical in this Drought Emergency Relief Program, this has been the result of mitigating factors unrelated to the Task Force actions. These factors were:

(a) the ability of NGO's to react quickly to sustain the famine areas during the period when the GOK had not begun food distribution;

(b) the early, and good, short rains which resulted in some harvests of short cycle crops, such as vegetables and legumes in some famine areas.

283. Although the Task Force is now working well, the interface with the NGO s at the national level is still not well defined. For example, while the Task Force member for the Provincial Administration must work with the NGO s at the district level, in December he was unable to discuss with us to what extent the NGO's would be able to draw down upon the Government stocks of relief grain to carry on their own feeding programs. This was a policy issue (i.e. a decision of the Steering Committee) and at that time there had been no directive. Thus, NGO's which could have expanded their feeding programs, if they had had access to more food, were not able to; the Provincial Administration, while having food, were not able to provide transport to distribute it.

284. We think that the ad hoc nature of the Task Force presents another problem for the individual members. This is the split between their responsibilities as a Task Force, and their normal reporting relationship with the Managing Director or other senior officers within their own organisations. In practice, policy directives have been issued direct to the relevant Chief Executive from the Chairman of the Steering Committee, by-passing the Task Force member altogether.

285. We consider that the overall administrative framework is adequate to cope with food distribution once the initial settling in period has passed, (as is now being demonstrated). We are however concerned that the absence of an established administration, trained and experienced, leads to delays in distributing food, and we are concerned that there is no clear accountability for these delays. We address this issue again, as part of our critique of the overall performance of GOK in the current Drought Emergency Relief Program, below.

Critique of Overall Reformance

286. In our review of each of the implementing agencies, we were pleased to find that, in general, the agencies had good management, adequate faciities, and were willing to meet our requirements for changes in their normal accounting procedures to enable the PL 480 grain to be tracked to the end user.

287. We were also pleased to find that many of the individual agencies records can be checked against another agencies records compiled from different sources. In this sense, we think that the systems now in operation give adequate protection against undetected misappropriaton of PL 480 grain. We do, however, consider that an independent monitoring team like ours is an important factor in maintaining control of PL 480 grain.

288. Our criticisms of the overall program are thus not specifically related to the receipt, storage and distribution of the PL 480 grain donated to the GOK. We do have some reservations that relate to:

(a) pre-planning of requirements;

(b) logistic flows.

Pre-planning of relief administration

289. We understand pre-planning of relief administration to encompass:

(a) assessment of food availability in the locality; (present and future potential);

(b) assessment of numbers of people in need;

(c) assessment of nutritional needs;

(d) mechanisms of relief administration (systems and procedures).

290. We think that the GOK s emphasis on building up information from the bottom up on food availability, numbers of people in distress, and nutritional needs is essentially correct. We have reservations on the skills and competence of the junior levels of the administration to cope with this task now and for the future, unless substantial training is carried out.

291. This has an impact on the end use of PL 480 grain. There is no doubt that PL 480 grain is reaching hungry people; it is less clear that the right amounts of the

right sort of food are going to the right people. We consider that a much more integrated, expert approach (such as NGO's use when assessing a drought program) should be formulated and applied to supplement the local knowledge of the junior levels of the administration.

292. Similarly, the mechanisms of relief administration, in terms of overall systems and procedures, were not well planned in advance of commodities arriving. This resulted in some delays in the production of distribution plans, and longer delays in distribution of food to the famine areas. We consider that it will be beneficial to have an established system for administering relief programs, in the form of laid down responsibilities and documentation to be used.

Logistic flows

293. We consider that the "bottom up" method of collection of information on the food required should also be the basis of the logistical flow of food to the areas. By this, we mean that, based on the numbers of people to be fed, their nutritional needs and the urgency of the cases, the logistic flow which will get the right amount of the necessary commodities to the right place on time should be calculated before a ship has arrived.

294. As an example of the need for such forward planning we cite the instance of the PL 480 milk powder. The distribution plan for the PL 480 milk powder was not formalised until after the milk had arrived. NCPB were informed that they were to store it, although they do not have appropriate facilities and it was deteriorating in their stores, until the distribution was worked out. Similarly KR were advised that they were responsible for transporting it, although they had no transport available unless other priorities were altered.

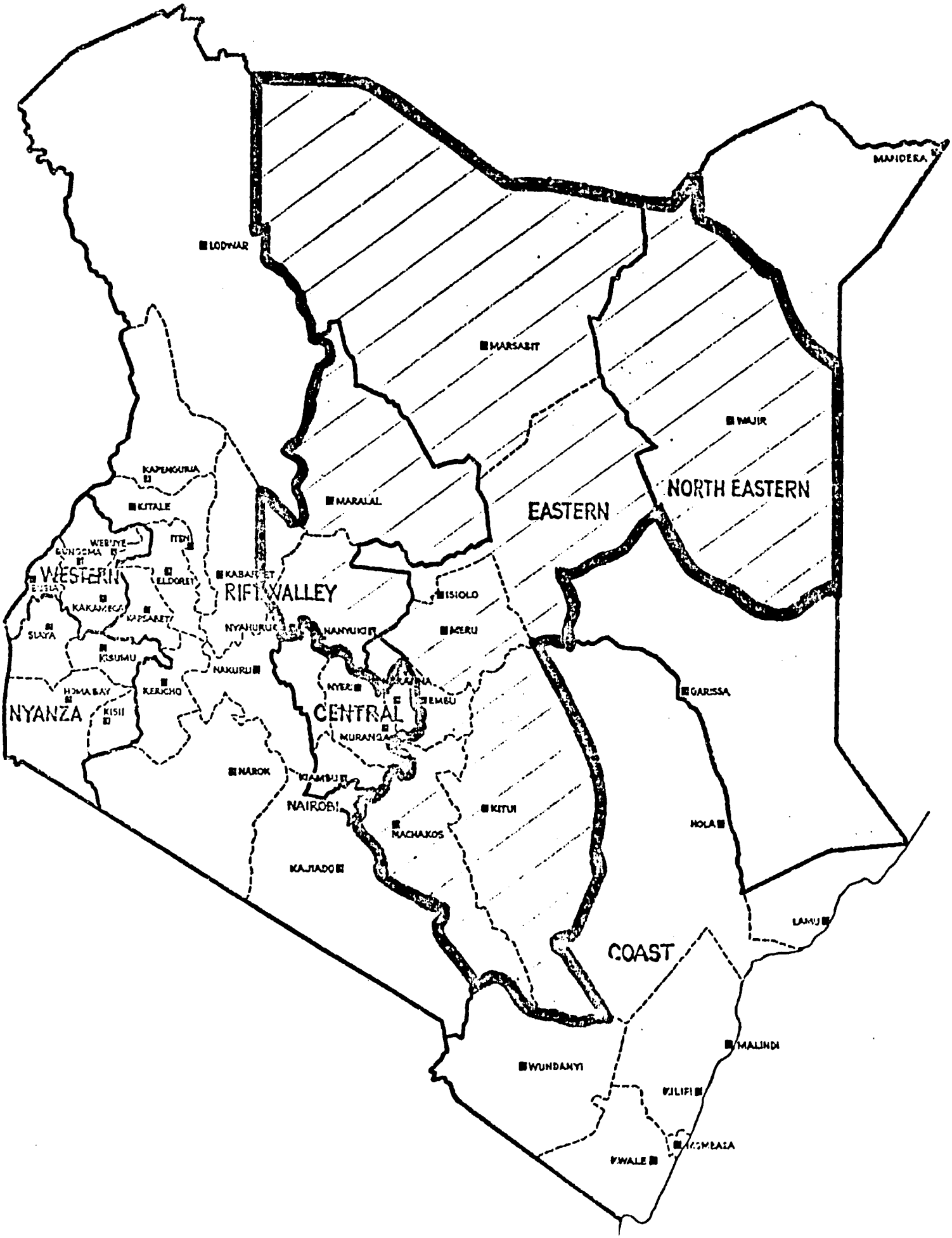
295. No decision was taken to move the milk by road until our monitoring team advised USAID of the situation. Up to January 25th 1985 only 1,877 packets of milk had been distributed in the famine areas, although the ship carrying them had arrived in Mombasa on the 12th November 1984.

296. We view this slow movement as one consequence of the lack of an accountable person or unit, responsible for the overall logistical flows. We are concerned, that, in the absence of such accountability, food aid will arrive too late, or in poor condition.

297. We are also concerned that the lack of longer term planning of overall logistic flows makes it more likely that a problem will arise in terms of storage availability in some NCPB depots. These stores, although serving the famine areas by storing relief food, should also be storing grain for commercial sale, and purchasing grain from farmers after the January/February harvest. Balancing the amount to be stored in each location to ensure smooth delivery of relief supplies can only be done by a central co-ordinating body, with executive power, as the information required to make such a decision is spread among the various implementing agencies.

APPENDICES

Fig. 2.1 Drought Affected Areas



C. PL 480 Title II overall program review:

1. Review administrative operations management, financial controls and warehouse management policies, procedures and operations of facilities operated by implementing agencies, in order to provide a report which will include: methodology employed, findings, and recommendations for improvement.

2. The report will include, but not be limited to, the following topics:

a) Administrative/operations management.

b) Review management and administrative practices, systems, methods, forms, routines, etc. To identify areas needing improvement, as well as training.

c) Examine overall management/administrative functions of the implementing, particularly as related to food commodity management.

d) Review of commodity control systems currently used from port of entry to end-user beneficiaries and suggest changes needed, taking into account the resources available in each

agency.

e) Review and track procedures used by the agencies at distribution points; from the beneficiary request to the end-consumer. Review actual food distribution and recommend procedures to avoid delays or interruptions of deliveries of commodities.

f) Financial controls.

g) Review the procurement systems of the implementing agencies for proper utilization of Title II reflows and recommend changes as needed.

h) Review the logistic budget of each agency in relation to the size of target population and quantities of commodities to assure adequate and uninterrupted deliveries.

i) Review the agencies' financial resources for program implementation, track flow of funds from donors to implementing agencies.

j) Warehouse management/logistics.

k) Review the financial resources available for warehouse rental and maintenance.

l) Review space requirements in light of monthly/annual commodity flows.

m) Review functionality of the record system for commodity receipts and deliveries.

n) Review maintenance and general environmental conditions of the warehouses.

o) Review commodity handling procedures (off-loading, transport, warehouses), as well as availability of functional equipment.

p) Make an assessment of each agency's capability to handle increased amounts of commodities.

The report in draft is due by December 15, 1984

APPENDIX 2

LIST OF PEOPLE INTERVIEWED

KPA

Mr. Karanja	-	Operations Manager
Mr. Undwholi	-	Principal Planning Officer
Mr. Imathieu	-	Information Officer
Mr. Mulewa	-	Revenue Accountant

KCHS

Mr. Gitau	-	Acting Operations Manager
Mr. Okumu	-	Revenue Accountant
Mr. Onyango	-	Superintendent

NCPB

1. Head Office

Mr. Kikwai	-	Managing Director
Mr. Karanja	-	Finance Director
Mr. Brass	-	Finance Advisor
Mr. Shamala	-	Chief Storage Manager
Mr. Ndunde	-	Deputy Sales Manager
Mr. Kimeto	-	Assistant Sales Manager
Ms Awinja	-	Sales Supervisor
Mr. Mumo	-	Depot Manager
Mr. Rakala	-	Data Processing Manager

2. Depots

Mr. Kinyua	-	Depot Manager
Mr. Rotich	-	Deputy Depot Manager (operations)
Mr. Kiptanui	-	Deputy Depot Manager (shipping)
Mr. Gono	-	Internal Auditor

Depot Managers, Thika, Kitui, Machakos

KTA

Mrs. Khosla	-	Vice Chairman
Mr. R. Khosla	-	Nairobi Co-ordinator
Mr. S. Mohammed	-	Financial Controller

KR

Mr. Mimato	-	Managing Director
Mr. Kinyua	-	Chief Traffic Manager
Mr. Moera	-	Assistant Chief Traffic Manager (Operations)
Mr. Marubu	-	Revenue Accountant
Mr. Ochieng	-	Assistant Revenue Accountant

Provincial Administration

Mr. Mbaka - Senior Assistant Secretary
Acting DC,Kitui
DOl - Kitui
D.C - Machakos
D.O - Thika
DOl - Meru

MISCELLANEOUS

Mr. Stagg - Lykes Lines
Mr. Alldrich - Dodwells
Mr. Smith - World Vision
Mr. Okara - Catholic Relief Services
Mrs. Menya - Chief Executive Officer, NCSS

APPENDIX 3

KENYA PORTS AUTHORITY/KENYA CARGO HANDLING SERVICES

Introduction

In this appendix we provide descriptions of the following systems:

(a) Operations Planning;

(b) Offloading and Storage;

(c) Security;

(d) Charges levied and payment procedures.

OPERATIONS PLANNING

Forward Planning and Review Mechanisms

In order for KPA to be able to render proper services to vessels coming to Kilindini, forward planning is undertaken. The primary source document for information is the "11 days notice list". This list is produced everyday on the basis of information supplied by the shipping lines' agents, and it shows the ships that are due to arrive at the port in the following eleven days. This list enables the KPA and KCHS personnel to plan for the ships, i.e. make sure that the berthing space, labour gangs and other necessary equipment will be available. The list shows the name of ship, estimated arrival time, tonnage, ship's agents and type of cargo.

Everyday an internal meeting is held at 9.30 - 10.00 a.m. consisting of representatives from KPA, KCHS and KR. A Planning Board is used, which has the succeeding eleven days dates ordered at intervals along the side, and the berth numbers along the top. All ships currently in the port are written in the appropriate berth, and that berth is indicated as occupied for the estimated number of days it will take to offload, based on historic information and actual performance to date. Using the 11 day list of ships arriving and the entries on the board to indicate likely departures, ships are planned into appropriate berths, and equipment and labour allocated.

After the internal meeting, the 10 o'clock operational meeting is held consisting of the representatives from KPA, KCHS and KR who have attended the internal meeting, KCHS shed superintendents, crane foremen and the ship's agents. The purpose of this meeting is to inform the ships agents about the allocation of the labour gangs and to discuss any problems that may have arisen from the previous day. It is during this meeting that the ships agents submit requests for more labour gangs or equipment, which, if available, will be provided.

An internal review meeting is held in the afternoon from 3.00 p.m. to discuss the progress of the operations. If there are any bottlenecks, e.g. shortage of transport, breakdown of equipment, etc., remedial actions are taken promptly.

Execution of work

After the 10 a.m. meeting, the workplan for the next 24 hours is fixed. The details of the plan are transferred from the planning board to a berthing plan by the KCHS zone clerk and copies of this are provided to all shed superintendents and to KPA Operations staff.

Reporting

A shift report is prepared by the Shed Superintendent after each shift showing the number of gangs deployed, equipment used and any problems encountered during the shift. This report is then sent to the Zone Clerk who summarises information from all the sheds in one daily report - Performance Report. The reports are discusssed during the next day's internal meeting and their contents are taken into account in planning.

OFFLOADING AND STORAGE

Labour

Depending on the type of vessel (whether multi or single hatched) and the type of cargo (bagged or bulk) and the priority given to the cargo (all grain has first priority) different labour allocations are made. It is the responsibility of the KCHS shift supervisor to record the details of the gangs employed, their composition, tasks performed and total tonnage offloaded.

KCHS have standard gang sizes according to the type of equipment used to offload the ship. A discharging gang for bagged cargo, to work one hatch, would comprise eight men in the hold and six on shore. A discharging gang for bulk cargo, offloading using vac-u-vators, would comprise between six and eight men in total.

KCHS supervisory and operative staff concerned with offloading grain are on a three shift continuous basis, and 7 day week. The shifts run from 7.00 a.m. to 3.00 p.m, 3.00 p.m. to 11.00 p.m. and 11.00 p.m. to 7.00 a.m. On the first and second shifts, fifty labour gangs are provided, of varying compositions according to the work planned. On the third shift, thirty labour gangs are available. All labour gangs are permanent employees of KCHS and are graded by skill. Currently there are no major shortages of any skill category.

Control system

Each gang is allocated a KCHS tally man, who is responsible for recording on a tally sheet the cargo offloaded. The tally man is stationed on the dock side.

If the cargo is offloaded in bulk, either by grab or vac-u-vator, the tally man marks the amount offloaded as number of grabs multiplied by the size of the grab, or by load blown into a wagon, judged either by the load capacity of the wagon or, if available, the metered weight.

If the cargo is offloaded in bags, the tally man marks the amount offloaded as number of slings per lorry, or on the dockside, multiplied by the number of bags in a sling.

The tally man also records the appropriate identifying details of each despatch, in case of query later. These are: the vehicle number and the delivery note number, or waybill number in the case of rail.

If the cargo is going to be stored, either on the dock side or in the shed (for example, if customs clearance

has not been obtained at the time of offloading) the tally man is responsible for maintaining a record of the amount in each stack.

All tally records are totalled and checked against NCPB records of despatches, or the physical stock on hand, by the tally man at the end of each shift. These totals are then recorded on the Shift Performance Record by the Shed Supervisor and passed to the Zone Clerk in the Head Office, who prepares the total shift performance report for all ships worked in the preceding twenty four hours as at 8.00 a.m, in readiness for the operational planning meeting at 9.30 a.m.

All despatches from the dock side are also recorded by the KCHS shed clerks, who are positioned inside the sheds adjacent to the transporters' clerks and NCPB clerks. The KCHS shed clerks are responsible for issuing exit gate passes on the basis of the driver presenting a delivery note (issued by his transporter's clerk) and a despatch advice (issued by the NCPB clerk).

The exit gate passes show the registration number of the lorry, tonnage loaded, delivery and despatch. The KCHS clerk keeps a separate tally of the despatches, as the gate passes are on a roll locked in a secure box, which is wound on after each pass is completed. The NCPB clerk countersigns the tally record.

SECURITY AT KILINDINI PORT

Responsibility for security at the port is split between KPA, who have approximately three hundred Kenya Policemen seconded to patrol the perimeter fences and control entry and exit to the port gates, and KCHS, who employ watchmen to patrol the sheds where cargo is stored. Police coverage is continuous. Night watchmen are present only outside normal office hours, and are supplied at an additional charge to the ship agents.

The port has three main gates which are used for both entry and exit. There is a gatehouse at each, which is manned by a KPA clerk. A minimum of two police officers are required to be on duty outside the gatehouse at all times. The patrol police, whose routes are advised by the controlling officer, (with information being supplied by the K.P.A. Principal Planning Officer on any especially sensitive areas) patrol on foot, normally in pairs, and are armed.

Authorisation to be present in the port is provided by the Port Movement Pass supplied by KPA. This can be of two types:

(a) permanent;

(b) temporary.

A permanent pass may be issued by KPA to permit unlimited entry and exit. Each pass is valid for a maximum of five years, after which it must be submitted for renewal. It may only be issued to a specific individual, and it bears the signature and photograph of the individual. To obtain a permanent pass, application must be made to the Managing Director of KPA, although in practice the task of authorising the issue of permanent passes is delegated to the Operations Manager. All applications must be made on the official application form and are normally supported by a covering letter from the individual employer when appropriate.

If the request is approved, the application form is signed and passed for action. Within ten days, a pass is issued, sealed in tamper proof plastic. The details of the pass are recorded by the issuing clerk, in order to track renewal dates. If KPA are advised before the renewal date that the pass is no longer required, it is cancelled.

KPA also issues passes to its own employees, and to KCHS employees, and it is a requirement of employment that these are carried when within the Port. On separation from service, employees surrender their passes.

Temporary movement passes may be issued to be valid up to one week for individuals on the authorisation of the Operations Manager.

Entry of vehicles to be used in grain transportation is done on the basis of temporary gate passes issued to specific vehicles, for which the owner of the vehicle applies. This is not valid for exit when loaded. A separate gate pass is issued for exit by KCHS tally clerks at the loading point.

The exit gate pass is issued only when the KCHS tally clerk is given the official delivery note of the vehicle's owner and official NCPB Despatch Advice by the driver, from which the KCHS clerk prepares a gate pass detailing the vehicle and trailer number (when appropriate) and the tonnage carried. The passes are prepared in triplicate, with the top copy being issued to the driver.

The second copy is retained within the issuing machine which is locked. When the roll of passes is finished, the box is emptied and refilled by the Kenya Police, who are responsible for reconciling the gate passes in the machine with the passes surrendered at the exit.

The third copy is passed to KCHS who match the details on the pass against the separate list compiled by the KCHS tally clerk which gives the registration number, gate pass number, date and quantity carried for every vehicle loaded, which must be countersigned by the NCPB clerk responsible for despatching grain from the port.

At the point of exit, the driver must show delivery note, despatch advice and gate pass to the Kenya Police. Verification of the details of the vehicle's load by physical inspection is then carried out by by the Kenya Police, although this is not always done. The gate pass is then retained and the driver may proceed to the designated warehouse.

Administration Police are posted along the routes in the warehouses to ensure that vehicles do not make unauthorised detours.

CHARGES LEVIED FOR SERVICES AND PAYMENT PROCEDURES

KPA renders one account to the ships agents which is built up from KPA's own charges, and the accounts submitted by KCHS in respect of their services to a particular ship.

The account rendered by KPA will break down the total cost into the appropriate categories . For offloading, this can include the following:

(a) shorehandling charges;
(b) stevedoring charges;
(c) storage charges;
(d) wharfage charges;
(e) late documents charges;
(f) Miscellaneous Port Services (MPS) charges;
(g) awkward storage charges.

Shore-handling Charges

These are charges levied in respect of handling cargo from the sheds to the lorries or railway wagons. These charges are paid in advance i.e. before handling of goods is embarked upon.

The normal rate for shore-handling charges is KShs. 35/- per ton handled. NCPB has a special rate of KShs. 25/= per ton handled.

Stevedoring Charges

These are the charges levied in respect of handling cargo from the ship to the sheds.

The rates for these charges are as follows:

(a) Normal : KShs. 69/= per ton handled;
(b) Overtime : KSh. 97.80 per ton handled.

NCPB does not have a special rate for these charges. The stevedoring charges should normally be paid by the ship's agents. However, there is an arrangement with NCPB that it pays KPA direct. That is, the ship's agents pay NCPB and in turn NCPB pays KPA.

Two days before the ship sails off, an interim bill is submitted and the ship's agent pays 90% of the charges incurred to that time. After the vessel sails off KCHS hand to KPA all the charges and the ship's agent is billed accordingly for the balance.

Wharfage

These charges are based on the value of the cargo. The rate is 1.5% of the total monetary value of the cargo.

Storage Charges

If cargo is not cleared from the sheds within the first 4 days, storage charges are levied. The rate is KShs. 12/= per ton per day. However, a special concessionary rate of KShs. 3/= per ton per day is applied to grain intended for free distribution during the current emergency.

Late Documents Charges

If the clearing documents, that is:

1) original bill of lading;
2) Invoice;
3) Certificate of fumigation from supplier;
4) Phytosanitary Certificate from the Minister of Agriculture of the country of origin to show that grain is free from infestation;
5) S.G.S. documents (independent surveyors)

are lodged late, that is, after the ship's arrival, a late documents charge is levied. The rates are stipulated in the tariff book.

If the clearing documents are lodged with KPA before the ship arrives a rebate is given. The rate is 3/= per ton.

Awkward Storage

When the cargo is stored badly in the ship such that handling is made difficult an awkward storage charge is levied. The charges are agreed in discussion between KCHS and the ship's agent.

Miscellaneous Port Services Charges

These are charges for miscellaneous services rendered at the port. The services which may give rise to the charges are listed below:-

1. Trimming of cargo at the request of the ship's agent;

2. Opening and closing hatches;

3. Stuffing and stripping (containers);

4. Overtime orders;

5. Labour standing-by awaiting ship's arrival;

6. Repair of broken cargo containers;

7. Hire of fork lift trucks, mechanised equipment;

8. Sorting import & export cargo;

9. Hire of clerks, labourers, foremen, watchmen or other labour;

10. Measuring, weighing and marking of import/export cargo;

11. Transhipment and coverlanded cargo-i.e. cargo for another port offloaded by mistake at Kilindini Port;

12. Re-sewing of bagged cargo.

The charges for the miscellaneous service are determined according to the number of people employed for each task. Rates vary according to the category of employee and the skills employed.

To build up the miscellaneous charges cost, each shed supervisor has to submit a shift labour report at the end of each shift, detailing the activity, number of people employed and their positions.

The shift labour reports are then passed to the Zone Clerk at the end of each 24 hour period.

The Zone Clerk inserts the rate appropriate to the skill category of the employee, then computes the sum of the hours and rate.

When the Zone Clerk has computed the total charge, the information is passed to the KCHS Revenue Accountant, who adds the sum to the total expenses incurred by a specific ship.

NATIONAL CEREALS AND PRODUCE BOARD

Introduction

In this Appendix, we provide detailed descriptions of the tasks performed by NCPB and the control systems used. In Part I we first describe the overall control system for recording receipts and despatches from Mombasa through to the final distribution point and then we examine in Part II the following specific procedures in detail:

a) Clearing cargo;

b) Storage of grain;

c) Transportation;

   (i) Port to Mombasa - road;

   (ii) Mombasa to up-country depots - road;

   (iii) Port to up-country depots/millers - rail.

d) Management reports.

PART I : OVERALL CONTROL SYSTEM

NCPB has a fully computerised receiving and despatch system. A special import sub-system procedures manual has been prepared by NCPB and distributed to all Depot Managers. To facilitate understanding and compliance, and with our assistance, a further manual detailing the procedures for handling and sale of commodity aid has been prepared and issued. All depots also have a copy of the NCPB coding manual.

The main characteristic of the NCPB system is that no grain can be moved without proper documentation, authorising NCPB to accept responsibility for grain, to consign it to a warehouse, or to issue it to an outside authority.

The most important documents within the Drought Emergency Relief Program are:

(i) Transfer Orders, authorising movement from one NCPB depot to another;

(ii) Despatch Advices, providing the record of despatch from one NCPB depot to another;

(iii) Receiving Advices, providing the record of receipt by a NCPB depot;

(iv) Sales Orders, providing the authorisation and detail of any release of grain from an NCPB depot to an outside authority.

The system, for the purposes of free grain distribution, works in the sequence indicated below:

(1) a Transfer Order is raised in Nairobi and sent to the depot of despatch;

(2) the despatching depot, on receipt of the Transfer Order, arranges despatch of goods to the destination specified in the Transfer Order; raises a Despatch Advice to cover this; and supplies copies of the Receiving Advice set to the receiving depot;

(3) The receiving depot, on receipt of the goods and Despatch Advice, completes the Receiving Advice stating which goods have been received;

(4) When grain is required for free distribution from the receiving depot, a Sales Order is raised at the depot to cover the issue of goods.

We now explain each document separately, in this sequence.

(i) Transfer Orders

Transfers Orders are issued to provide the authority from Head Office to a depot to move grain from its store to another depot.

When information regarding an in-coming grain ship is received at NCPB Head Office, the Chief Storage Manager allocates the grain on each ship to various depots. With AID grain, the Task Force theoretically does it although in practice NCPB do it for them.

The allocation is based on need as identified and communicated by the Depot Managers. The allocation is sent to the Managing Director for approval and then to the Assistant Sales Manager (ASM) for action. The ASM sends a copy to the Depot Manager (Mombasa). The ASM then prepares Transfer Orders and a telex. The Transfer Orders are sent down to Mombasa by Speedpost (express postal service).

The telex is a summary of necessary information to enable tht Depot Manager to act before the Transfer Orders arrive. It gives the Transfer Order number, the quantity, the receiving depot, and the means of transport to be used.

The Transfer Order Form is prepared in quadruplicate and distribution is as follows:

1 - Despatching Centre
2 - Computer
3 - Receiving Centre
4 - File Copy

The first copy is the instruction and authority for the despatching centre to despatch the grain.

The second copy is input to the computer at Head Office to provide the data for the computer report on Transfer Orders issued each week.

The third copy is sent to the Receiving Centre to advise them of the stock due to arrive.

The fourth copy provides the permanent record in the Sales Office of the Transfer Orders raised.

When there is sufficient notice, the Transfer Orders can be prepared and despatched before the ship arrives so that movement of the grain can start immediately the grain arrives.

If transfers are to be effected from Nairobi to up-country depots, the Transfer Order is sent to the Depot Manager (Nairobi). Similarly, if an up-country depot has stock which is urgently required in another depot, the Transfer Order will be raised in Nairobi and sent to the depot of despatch.

The procedure at the depot when a Transfer Order is received is:

(a) The Order is recorded in a Delivery Book which is maintained by the Depot for the recording of all Transfer Orders received.

(b) The Transfer Order is given to the Stores Clerk in charge of the store from where the goods are to be transferred and he signs for it in the Delivery Book.

(c) The goods are loaded on to the vehicle which is allocated to transport them.

(d) A Despatch Advice is prepared by the Stores Clerk. (The Despatch Advice is described in the next section).

(ii) Despatch Advices

Despatch Advices are raised each time grain is moved. They are thus raised at the point of despatch by the NCPB clerk who has verified that the transporter is an NCPB registered vehicle and has physically checked the quantity loaded.

They are used:

a) when grain is transferred from the port to Mombasa Stores;

b) when grain is consigned direct from the port to up-country destinations;

c) when grain is despatched from Mombasa stores to up-country destinations;

d) when grain is transferred from any up-country store to another;

e) when grain is despatched to a customer.

Despatch Advices are five-part carbonised, sequentially numbered sets. Distribution is as follows:

a) top copy to the receiving depot (carried with the transporters);

b) second copy to the computer, for matching against the appropriate receiving advice;

c) third copy to the record clerk, to amend stocks;

d) fourth copy to the transporters as proof of despatch, for payment;

e) fifth copy to be retained.

The top copy is used as the notification to the receiving depot of what quantity should be on the despatched vehicle. It is used by the clerk in charge of offloading vehicles when physically counting the bags offloaded.

The second copy is used as a notification to the Head Office computer of what has been despatched from each depot, and provides the basis of the computer program designed to match despatches with receipts. It is input immediately and held on file until the appropriate Receiving Advice is received.

The third copy is used as a notification to the despatching depot's Record Clerk that grain has been despatched, so that he adjusts his stock records by the amount shown on the Despatch Advice.

The fourth copy is provided to the driver for use by his company in claiming payment.

The fifth copy provides the permanent record of Despatch Advices issued, in order of completion.

All Despatch Advices relating to USAID grain carry the following essential information for monitoring purposes:

(a) a unique product code (5 digit instead of 4 digit);

(b) the name of the ship from which the grain came (unless it is a despatch from one up-country depot to another, as grain is not identifiable by ship at this stage);

(c) the amount carried, in bags, with the bag size indicated;

(d) the transporter's name and code and vehicle number;

(e) date of despatch;

(f) depot of despatch;

(g) destination of the commodity.

(iii) <u>Receiving Advices</u>

Receiving Advices accompany the top copy of all Despatch Advices to the receiving NCPB depots. They are completed at the Receiving Depot, by the NCPB Receiving Clerk who has verified that the stated amount despatched, on the Despatch Advice, matches the amount received at the Depot, established by physically counting the load, before offloading.

Receiving Advices are five part carbonised forms. They are sequentially numbered to correspond with the Despatch Advice. Distribution is as follows:

a) top copy to the records clerk, to amend depot stocks;

b) second copy to the computer, for matching with the Despatch Advice;

c) third copy to the despatching depot, for matching with their copy of the Despatch Advice;

d) fourth copy to the transporter, as proof of delivery for payment;

e) fifth copy retained by the Receiving Clerk.

Any discrepancy between the amount on the Despatch Advice, and the amount physically counted as received is referred to the Depot Manager. The transporter is liable for any loss, and the driver must sign the Receiving Advice, accepting liability, before the grain can be placed in the NCPB store.

(iv) Sales Order (Free grain procedure)

The Depot Manager receives a written authorisation from the District Commissioner to release a quantity of grain for free distribution.

The Depot Manager confirms the validity of the authorisation, initials it and stamps it with the official "Free Sale" stamp of the depot and passes it to the Sales Clerks.

The Sales Clerk prepares a Sales Order for the total amount, stamping each copy of the five part set with the official depot "Free Sale" stamp, and indicating that the sale is computer code 4, for free sale.

The authorisation for the Sales Order is attached to his copy of the Sales Order and filed.

The Sales Clerk then issues the District Commissioner, or his authorised delegate, with the original copy of the Sales Order.

The Sales clerk forwards the second copy to the Depot Record Clerk, and the third copy to the despatching Stores Clerk.

The despatching Stores Cle , on receipt of the Sales Order (customer copy, and his copy from the Sales Clerk, checks that the two match. Any difference is referred to the Depot Manager.

The District Commissioner, or his authorised representative, goes to the store and tells the Stores Clerk how much is required from the total allocation immediately and the destination. The Stores Clerk raises the appropriate Despatch Advices, stamping each copy "Free Sale", indicating the Sales Order number, sales type 4, and the quantity released.

The Stores Clerk enters the amount released in the Despatching Column of the Customer Sales Order, updates his copy of the Sales Order, gives the customer the top copy of the Despatch Advice, retains the stores copy and forwards the second and third copy to the Depot Records Clerk.

The Depot Records Clerk is responsible for updating the records of stock held at the depot on the basis of his copy of the Sales Order and the Despatch Advice.

Each week, the Depot Records Clerk is responsible for batching all computer copies of the Sales Orders and Despatch Advices raised in respect of "Free Sale" transactions. All such batches have control slips which are stamped "Free Sale" to enable them to be seperately verified and run on the computer in order to provide monthly summary reports of all "free sale" transactions.

PART II : SPECIFIC PROCEDURES

CLEARING CARGO BY NCPB

In this section we describe the procedure used by NCPB in clearing cargo at Kilindini Port.

Procedure

The Assistant Depot Manager (Shipping) in Mombasa is informed by telex by the Finance Manager at Head Office in Nairobi about any clearing contracts with aid agencies. The Finance Manager informs the Assistant Depot Manager of the name of the ships that are carrying the grain. From the 11 days notice list prepared at the port the Assistant Depot Manager identifies all the named ships' estimated arrival dates, to alert the Depot Manager of the necessity to arrange storage and transport. He also looks at the 11 day list for any ships carrying grain in addition to the named ships supplied by the Finance Manager. If there are any additional ships he will query by telex, to the Finance Manager, for confirmation that they are not NCPB's concern.

In order to effect the clearing expeditiously, the Depot Manager (Shipping) requires the following documents to be in his possession before the ship arrives:

(1) Certificate of Value (or relevant invoice);

(2) Original Bill of Lading;

(3) Certificate of Fumigation from the Supplier;

(4) Phytosanitary Certificate from the Ministry of Agriculture of the port of departure certifying that the grain is free of infestation;

(5) SGS (independent surveyors) documents showing quality, quantity and weight of the grain.

The original Bill of Lading in particular is required so that the Kenya Customs and Excise Import Entry form can be completed. In the absence of the original Bill of Lading, a Provisional Entry Form is used. KShs. 400/= has to be deposited for each Provisional Entry form used. The copies of the Kenya Customs and Excise Import Entry form or the Provisional Entry form are distributed as follows:

a) 5 copies to Customs & Excise Department (for internal distribution to the relevant departments)

b) 3 copies to NCPB

A Mombasa Port Release Order (MPRO) which acts as the authority from the Kenyan Customs and Excise to Kenya Ports Authority for release of grain, is also prepared in five copies by the Assistant Depot Manager. The Kenya Customs and Excise Import Entry form copies, the Provisional Entry form copies plus the MPRO copies are sent to the Customs & Excise Department.

One copy of the Provisional Entry form and 5 copies of the MPRO are sent to the Revenue Accountant at KPA. KPA then processes the charges through the computer. Once processed all copies are sent back to NCPB. The Assistant Depot Manager (Shipping) checks that the charges claimed by KPA are correct. If they are, they are passed for payment.

The Assistant Depot Manager then liaises with the Government of Kenya Chief Grader, to arrange inspection of the grain. Once the Chief Grader ascertains that the grain is free from infestation, he stamps the MPRO copies and returns them to the Assistant Depot Manager. If the Chief Grader recommends that the ship should be fumigated, it is taken to the stream and fumigation is done. The shipping agent pays for the fumigation. The Chief Grader issues a certificate of inspection. A copy of this document goes to NCPB and another copy to the shipping agent.

The Assistant Depot Manager (Shipping) then takes the documents back to the Customs & Excise Dept. to release the grain. The MPRO is stamped with a "Release Order Stamp" thus releasing the grain. Movement of the cargo from the port can then begin.

The whole process normally takes a few hours after the ship's arrival, if all documents have been made available to NCPB in advance. If, however, the documents are not available, substantial delays can occur.

STORAGE OF GRAIN IN NCPB WAREHOUSES

In this section we describe the storage of grain in NCPB warehouses. We describe in particular the capacity of the available warehouses, payment for the storage facilities and the actual storage of grain. In addition, we discuss the documents used to show the movement of stock.

Capacity

NCPB has permanent warehousing and storage space (including the Cyprus bins used to store the National Reserve) for a total of 7,462,000 bags of 90 kg each, spread throughout Kenya.

In addition to this, temporary space may be leased. This has been done in Mombasa, where normal warehousing capacity is 290,000 bags, or around 26,000 tonnes.

NCPB lease only the space required, and pay on a daily basis according to the volume of space occupied, so there is no fixed figure for the total capacity available at Mombasa. Stocks in Mombasa have risen as high as 40,000 tonnes, and no concern was expressed by NCPB on warehouse availability.

Physical Condition

In NCPB owned warehouses, maintenance of good storage conditions is the ultimate responsibility of the Chief Storage Manager, to whom the NCPB Rodent and Pest Control Team report. This team comprises three qualified Inspectors, who have inspection schedules to cover all the NCPB stores.

In NCPB rented stores, maintenance of good storage conditions is the responsiblity of the warehouse owner, under the direction of the relevant Depot Manager. The warehouse owner is obliged to give access to the NCPB Inspectors.

There are standing instructions on the physical spacing between stacks, height of stacks and stock turns. Any damaged stock is immediately separated from good stock and must be inspected by the Depot Manager to ascertain the reason, before write off.

All stock is tested for moisture content before being added to stacks, to prevent mildew.

Any spilled grain is cleared immediately, sieved and sorted, then rebagged and designated as sweepings. It cannot be sold as normal quality.

Stock Records

At each warehouse there is an NCPB clerk in charge. He supervises the arrangements of bags in the stores and on a daily basis does a physical count of the bags.

On a daily basis, the clerk in charge does the reconciliation of received grain, despatched grain and stocks from his copies of Receiving and Despatch Advices and sends it to the depot Records Clerk for checking. If discrepancies are found, investigations are started immediately.

Stack cards are used in the stores to show the stock position. A stack card is put on every pile of bags which are arranged in layers to facilitate easy counting. The cards are updated on a daily basis as stocks are received and despatched.

Storage & Handling Charges

For each tonne stored at leased warehouses in Mombasa, NCPB pays KShs. 3/65 per week. For each tonne offloaded or loaded into the warehouse, NCPB pays KShs. 18/90 for day work (between 6 a.m. and 6 p.m.). Night work attracts a premium payment, over the KShs. 18/90 as follows:

Weekdays		Weekend
Labourers	KShs. 2/10 per hr.	KSh. 2/10 per hr
Clerks	KShs. 24/10 per hr	KSh. 32/60 per hr
Supervisor	KShs. 39/75 per hr	KShs 49/70 per hr

Charges submitted by the leased warehouse owners are checked by NCPB clerks to make sure that they are correct and that NCPB is paying for services actually rendered.

The warehouse owners send invoices to NCPB Head Office weekly. Before payment is made the invoice is checked to see that it tallies with the weekly stock return from the depot.

A weekly stock return is prepared by NCPB clerks in conjunction with the warehouse owner's clerks. It accompanies the invoice to the Head Office. The document shows details of all the services rendered at the warehouses such as tonnes loaded and unloaded, trips made, tonnes stored.

TRANSPORT SCHEDULING

Road Transport : Port to Mombasa go-downs

NCPB has a standard tendering procedure for award of transportation contracts, based on a standard rate to be applied for either tonnes carried, or trips made (bulk cargo only).

Each year, on award of a contract, the transport firms must supply the registration numbers and carrying capacity of all vehicles they have available. These details are then entered in the Head Office computer, so that payment can only be made to registered vehicles.

Currently NCPB Mombasa has contracts with four local transporters, who provide a pool of around 400 vehicles with an average carrying capacity of about 15 tonnes.

Procedures

When there is cargo at the port to be transported, the Deputy Depot Manager (shipping) informs the Depot Manager. Either the Depot Manager or the Deputy Depot Manager (Operations) requests the contracted transporters to send the required number of lorries to the port. The optimum number of lorries to work one ship is 35-40 per day, so planning is done on this basis. There is no shortage of vehicles.

It is the responsibility of the owner of the lorries to get temporary gate passes for the lorries from KPA. Some of these lorries have permanent movement passes. These permit unloaded lorries to enter the port.

Once the KPA gate pass is issued to the lorry driver, he enters the port and goes directly to the transporters' clerks who are seated in the shed located in the berth where a particular ship is offloading. He is issued with a delivery note by his transporter's clerk.

The lorry is then loaded, under the supervision of the KCHS tally clerk, who compiles a list showing the lorry number, tonnage loaded and the number of the delivery notes.

Once the lorry is loaded, the driver takes the delivery note to the NCPB clerk who issues him with a Despatch Advice and on the strength of this document an exit gate pass is issued by the KCHS clerk. The NCPB clerk and the KCHS clerk sit together so there are no delays in issuing the gate pass. The NCPB clerk also signs the KCHS gate pass.

At this juncture a list is compiled by the KCHS clerk, giving details of the lorry number, tonnage, and gate pass number. The NCPB clerk also prepares a tally which gives details of the lorry number, tonnage and Despatch Advice number.

The driver leaves with the following documents:

(a) original copy of Despatch Advice;

(b) 5 copies of Receiving Advice;

(c) 3 copies of transporter's delivery note;

(d) KCHS Gate Pass.

At the Kilindini Gate the police check the physical quantity and the documents to ensure that the quantity carried is that indicated on the documents. At the gate, the gate pass is withdrawn and kept by the police.

The driver goes to the NCPB warehouse indicated on the delivery note with all the documents except the gate pass from KCHS.

At the warehouse there are NCPB clerks and warehouse owner's clerks. All the driver's documents are given to the NCPB clerks who physically check the cargo. Once the quantity is verified the lorry is allowed to offload. Once the lorry is offloaded the NCPB clerk signs for receipt of the cargo on the delivery note and the Receiving Advice. The warehouse owner's clerk also signs.

If there is a discrepancy (positive/negative) between the physical count and the documented load, this is indicated on the documents and the driver signs for any shortages thus accepting liability. If he refuses to sign, the documents are all kept and the lorry is not offloaded until the case is settled by the NCPB Depot Manager.

Once the lorry is offloaded the driver is given one copy of the Receiving Advice and two copies of the delivery note. The Receiving Advice will be returned to NCPB later in order to effect payment.

The tally, prepared by the NCPB clerk at the port, plus three copies of the Despatch Advice are sent to NCPB's Internal Audit Section for verification. These documents are supposed to be sent every day between 7 - 7.30 a.m. The receiving tally prepared by the NCPB clerk, original copy of the Despatch Advice plus 3

copies of the Receiving Advice are also sent to the Internal Audit Section for verification. The 2nd copy of the Despatch Advice and of the Receiving Advice are computer copies. When verified, these are batched for daily delivery to NCPB Head Office, for computer input.

A register is prepared by the Internal Audit Section showing cargo discharged at Kilindini Port and cargo received at the warehouses, number of lorries loaded at the port and the quantity. The purpose of maintaining this register is to ensure that cargo discharged is received at the warehouses.

Charges

Transporters' charges vary according to whether cargo is bagged or bulk. In the case of bagged cargo the rate is 26/= per ton. In the case of bulk cargo it is 116/= per trip.

On a weekly basis transporters send their invoices to NCPB Head Office with their copies of the Receiving Advices. These documents are then matched with the copies of Receiving Advices sent to the Head Office from the depots. When the documents tally, payment is processed.

There is a master file in the computer containing names of transporters and the lorries they own. Any lorry that is not in the master file is rejected. The master file therefore provides a control which ensures that an uncontracted transporter does not transport grain.

Road transport : Mombasa to upcountry depots

On receipt of a Transfer Order, or a telex giving the relevant Transfer Order number, quantity and destination and mode of transport, the Depot Manager is responsible for arranging the despatch of goods. The Depot Manager is responsible for planning from which stores grain should be despatched, bearing in mind the amount waiting at the port to be brought into store. This planning is done informally, on the basis of the latest stock position reports from the warehouses, and the number of lorries that can be offloaded at any warehouse.

On the basis of his informal plan (normally made by indicating on the Transfer Order or the telex the name of the warehouse from which the grain should be taken) the Depot Manager informs the Kenya Transport Association Liaison Officer verbally to raise Loading Orders for the appropriate number of lorries. (The KTA Liaison Officer is in contact with the NCPB Depot Manager at least twice a day, but normally more frequently, if there are large orders to be filled.) There is no formal documentation for this process.

It is then the responsibility of KTA to provide the required number of lorries. NCPB has warehouse supervisors, reporting to the Deputy Depot Manager (Operations) on the progress of loading, and vehicle availability, and any problems are immediately communicated to him for action.

The control system for loading and despatch of lorries is by means of the Despatch/Receiving Advice system described in Part 1 of this Appendix.

Rail Transport : Mombasa to upcountry destinations

The means by which cargo should be transferred to upcountry stores is indicated on the Transfer Order, raised by NCPB Nairobi Sales Office. The documents used to control movement by rail are similar to those used in the transportation of cargo from Kilindini Port to NCPB warehouses. An additional document used is the Railway Consignment Note (Waybill). Wagons are filled at the port, or, when a warehouse has a siding, at the warehouse and are weighed before despatch at the official weighbridge and the quantity registered at the weighbridge is shown on the KR waybill which shows gross weight, tare weight and net weight.

On the strength of the KR waybill an NCPB Purchase Advice is raised for each wagon after weighing (in the case of bulk cargo). In the case of bagged cargo, NCPB Despatch and Receiving Advices are raised at the same time, and accompany the goods to the final destination.

A Tally Sheet is prepared by the NCPB clerk responsible for rail movement at Mombasa to cover the daily shipment of goods by rail showing the wagon number, quantity loaded and destination. This, together with the Transfer Orders is passed to the Internal Audit Office for checking that the two documents match.

MANAGEMENT REPORTS

NCPB has made provision for several reports to be regularly generated to check on progress, control and status. We describe the four most important in terms of monitoring the USAID grain. These are:

(a) Ship Reconciliation Reports

(b) Stock Reports

(c) Despatch/Receiving Reports

(d) Despatch to distribution points Summary.

Ship Reconciliation Report

The Ship Reconciliation Report should be prepared as soon as off-loading has been completed. The NCPB clerk at the port submits details of the number of bags offloaded, the Despatch Advice/Transfer/Sales Order numbers and the balance left in the port, if any, to the Internal Auditor at Mombasa Depot.

The Internal Auditor is then responsible for raising a Ship Reconciliation Form from the Receiving Advice Summaries submitted by each warehouse, and from the information supplied by the port clerk and, when necessary, the Deputy Depot Manager (Shipping).

When complete, the form is sent to Head Office to provide a permanent record of the disposition of that ship's cargo.

Currently, Ship Reconciliation Reports are being completed in arrears, as the Internal Auditor has a considerable workload in addition to this responsibility. In addition, reconciliation has been difficult for ships that had cargoes split between Kenya and other countries, when bags have been placed in the wrong shed or stack.

Our monitoring team has been independently reconciling the amount offloaded with the Bill of Lading quantity. This appears to be the best short term solution.

Stock Reports/Inventory

The Inventory Accountant at NCPB Head Office Nairobi is responsible for compiling a weekly Inventory Report, for NCPB senior management, on the movements of all commodities, and the closing balances of each NCPB depot.

The Inventory Report is compiled from the information supplied by each depot manager by telephone for speed (later confirmed in writing on the Weekly Stock Report).

The Depot Manager supplies the opening balance of each commodity stored in his depot, sales, transfers and receipts for the week, and the closing balance.

The opening and closing balances are based on a physical inventory. Discrepancies between the book balance and the physical balance are subject to investigation by the Depot Manager, who may then apply to the Chief Storage Manager for permission to adjust his records.

At our request, commodities intended for free distribution are reported separately.

Despatch /Receiving Report

The Despatch/Receiving Report is a computer run reconciliation of the computer copies of the Despatch/Receving Advices received by Head Office.

As data batches arrive at Head Office, they are checked by an accountant for correct coding, then entered in the computer. (To cope with the volume, the computer data entry staff work a night shift).

Once a week, the program to match all Receiving and Despatch Advices entered into the computer is run. A report is generated showing the quantity loaded, quantity received, reference number, and the loss/gain incurred in transit.

Data transmission to Head Office from depots is slow, with delays of up to three weeks having occurred. There is a daily courier service between Mombasa and Nairobi, but other depots use Speed Post.

The delay in obtaining the source documents, particularly the Receiving Advices from upcountry depots, leads to many unmatched documents being carried forward until the next run.

The report is thus not a very useful source of information on the current situation, but is useful for longer term accounting reconciliations.

Our monitoring team are able to provide information using the despatching depot records, receiving depot records and KTA records. This appears to be the most practical method of obtaining the information speedily.

Despatch to Distribution Point Summary

The Despatch to Distribution Point Summary is a new document introduced to track releases to District Officers from NCPB depots.

It is prepared on a weekly basis by the depot records clerk and a copy is submitted to Head Office Nairobi.

It gives details of the authorisng letter, date of issue of grain, amount, the title of the officer it was released to, vehicle number despatched on, and the relevant sales order number. It is prepared solely for the purpose of reconciling PL 480 grain physical stock with the depot records of despatch. It provides a check for the monitoring team at the distribution points; the amount NCPB have released should match the amount distributed, or awaiting distribution.

KENYA TRANSPORT ASSOCIATION

Introduction

In this Appendix, we provide a detailed explanation of the planning, control and reporting systems employed by the Kenya Transport Association (KTA). We discuss these in relation to the five main aspects of:

a) loading and despatch;

b) control in transit;

c) off-loading;

d) payment;

e) recording of performance.

We also provide a brief description of the facilities and equipment provided by KTA to the main contractors.

LOADING AND DESPATCH

KTA is the co-ordinating body for loading and despatch of vehicles from Mombasa, acting under the direction of the NCPB Mombasa Depot Manager.

Each evening, the NCPB Depot Manager requests KTA to provide the required number of vehicles for the following morning. He informs the KTA office of the total amount to be despatched, the stores from which it should be taken, and the destination.

Representatives of each of the main contractors attend a planning meeting early each morning, when they supply information on the vehicles they have available, and the KTA representative informs them of the orders that are available.

Orders are then allocated to contractors, in accordance with the quota system established by KTA after the first months of the grain distribution. This distribution is based on the performance (i.e. amount carried) expressed as a percentage of the whole in those months and the size of the fleet of each contractor. Each order is then divided into the number of bags each contractor should carry as a percentage of the total.

When the orders have been allocated, KTA clerks raise individual "Loading Orders" (Document 1) for each vehicle, specifying the name of the transporter, amount to be loaded, the warehouse of despatch and the final destination.

The Loading Order is a two part set, which acts as an authority to load from KTA to NCPB. The top copy is given to the driver, the second copy is retained in the KTA office. They are numbered, and a register kept of issues. Spoiled copies are cancelled on the authority of the Financial Controller of KTA.

When the driver has a loading order, he takes his vehicle to the stipulated warehouse and reports to the KTA clerk there.

The KTA clerk keeps a Warehouse register, in which he records the date, vehicle number and loading order number. NCPB personnel then load the vehicle in accordance with the loading order, and prepare a despatch advice.

The driver, if he wishes, may use a Loading Tally Sheet to keep a running tally of bags being loaded, as he will be liable for any shortages discovered at the receiving depot .

When the lorry has been loaded, the KTA clerk prepares a Consignment Note giving details of the transporter, load and destination. The Consignment Note is a seven part set. Distribution is:

two to the driver (one to be given up at the depot of delivery to KTA)

two to KTA Mombasa Office (one to the Despatching Section, one to Accounts Section)

one to KTA Nairobi

one book copy

one spare

The drivers' copies are completed at the depot of delivery by the KTA clerk, countersigned by NCPB. The copy retained by the driver is available to his contracting firm for use as an independent record after the NCPT Receiving Advice has been submitted for payment procedures. The KTA also retain the second copy of the consignment notes for this purpose at the depots.

The Mombasa Office copies act as a signal to the Despatch Clerk of lorries awaiting despatch, and to the Accounts Clerk for eventual payment.

The Nairobi office copy is used for full information on what has been despatched, in case of a query by NCPB Head Office. While not strictly necessary, it saves time.

The book copy serves as a permanent record for the warehouse clerk. Completed books are returned to the Financial Controller for checking.

Before the lorry leaves the KTA clerk enters the consignment note number and the NCPB despatch advice number in his Warehouse Register.

The driver then returns to the KTA main office to obtain a movement permit. This is not issued by KTA, but by an authorised signatory on behalf of the District Administration, who, because KTA has off the road parking space, issue permits in KTA's offices.

A KTA clerk keeps a running register (in the Despatch Office), similar to the warehouse register. He also records the movement permit number, and the date of issue, if different from the day on which the driver applied for the permit.

Twice a day, the movement permits prepared to that time are taken to the District Officers' headquarters by NCPB personnel to receive the official stamp. When stamped, NCPB return the movement permits to KTA.

KTA, on the basis of the movement permits at hand, assemble convoys. Ten vehicles for the same destination are the minimum.

When a convoy has been identified from the permits, the KTA clerks responsible for convoy despatch prepares a "Cargo Manifest" in five copies. Distribution is:

1 to the convoy leader

1 for the receiving depot (carried by the convoy leader)

1 to KTA Nairobi

1 to KTA Acounts Office, Mombasa

1 retained by the issuing clerk.

The use of the Convoy Manifest after distribution is as for the Consignment Note. The Manifest records details of the date, vehicle numbers, quantity carried, NCPB despatch advice number and movement permit number. It also has the registration number and driver's name for the chase vehicle assigned to the convoy. Each convoy has a unique number.

The convoy leader is given his copy of the manifest, and the vehicles are assembled ready for despatch. Convoys are despatched twice a day to avoid too much congestion on the main exit road from Mombasa.

As each convoy is despatched, abbreviated details of the convoy composition, load and destination are telexed by KTA Mombasa to KTA Nairobi.

CONTROL OF VEHICLES IN TRANSIT

Each convoy has a control vehicle assigned to it, which patrols the convoy. Should a grain carrying vehicle drop out of the convoy, the control vehicle's driver ascertains the reason, and provides assistance.

If the vehicle has suffered a complete mechanical breakdown, the control vehicle rings the nearest KTA main office, i.e. either Nairobi or Mombasa, and informs them of the problem.

The driver of the grain carrying vehicle must stay with their vehicles until assistance comes. The control vehicle is then free to continue with the rest of the convoy. Details of the problem and the action taken are entered on the convoy manifest.

Similarly, if a convoy cannot reach its receiving depot, because of poor road conditions, or, on arrival cannot offload because of lack of storage space, it is the control vehicles responsibility to liaise between KTA and NCPB and agree an alternative destination. This means that the drivers should not have to leave their vehicles unattended, and that KTA and NCPB know what is happening to every convoy.

OFFLOADING

On arrival at the destination, the convoy leader is responsible for lodging the convoy manifest with the Depot Manager, and arranging where vehicles will be parked awaiting offloading.

Each driver is responsible for submitting his own documentation to the NCPB clerk responsible for offloading, and for agreeing the amount offloaded.

The amount offloaded, physically counted by the NCPB clerk, is recorded on the NCPB Receiving Advice and the KTA Consignment Note. Any difference between the amount recorded as loaded, and the amount offloaded is noted on the Receiving Advice and Consignment Note; the driver must sign both accepting liability for any shortages.

When all lorries have been offloaded, and documentation completed, the convoy returns to Mombasa.

(For full details of NCPB's offloading procedures, see Appendix 4).

PAYMENT PROCEDURES

KTA have agreed with NCPB that official proof of delivery is provided by a driver submitting his copy of the signed and authorised NCPB Receiving Advice.

For convenience, each contracting firm collates the returned Receiving Advices every day and submits invoices for the total number of trips made supported by the relevant Receiving Advices, to the KTA Accounts Office in Mombasa.

KTA verify the details of the Receiving Advice submitted against the corresponding Despatch Advice issued. This is done manually and also checked on the computer. If the details tally, the total sum due is calculated, and added to the weekly invoice submitted by KTA to NCPB.

The weekly invoice is prepared by depot of delivery showing total quantity delivered. It is supported by a detailed breakdown of how the figures were derived. NCPB are able to double check the invoice total against their own computer generated payment to transporter program.

RECORDING OF PERFORMANCE

KTA are currently maintaining two recording systems, one manual and the other computerised. Both systems are based on the same source document, the Cargo Manifest, for the following details: date of despatch, vehicle registration number, description of cargo and quantity, destination, the serial numbers of the NCPB despatch advice, movement permit and KTA loading order.

The Manifest information is entered into the computer and also written up in a loose leaf ledger. This duplication provides a check on transcription errors.

Each day, the total tonnage despatched for each destination is derived by totalling the load of each vehicle. Each week, the daily totals are added to provide a weekly performance report. This is done manually, from the day ledgers. The computer can also produce a total tonnes and total miles travelled figure, through running a break analysis program, by individual contractor.

APPENDIX 6

KENYA RAILWAYS

Introduction

In this appendix we detail the planning procedures of Kenya Railways, documentation of goods in transit, payment procedures, and performance reporting.

Planning procedures

Every evening the manager of each station depot rings the Regional Control Office.

The manager passes on the following information:

orders on hand;
empties available;
wagons on hand awaiting offloading.

The Regional Controller passes the information from the whole region to the Central Control Office, Nairobi, before 6.00 a.m. the following morning.

The Central Controller compiles the information from the regions (including Nairobi) to produce the Stock Report Summary and the Daily Movement of Traffic reports.

These reports are passed to the Assistant Chief Traffic Manager Chief Traffic Manager and Managing Director before 9.30.

At 9.30 each morning, the Chief Traffic Manager, Assistant Chief Traffic Managers and the Chief Mechanical Engineer hold a planning meeting, using the reports to evaluate the success of the previous days plan. The Chief Traffic Manager is responsible for assigning priorities, on the basis of commodity, customer or destination.

The Assistant Chief Traffic Managers are responsible for drawing up the plan for the next 24 hours starting at 4.30 p.m. that day on the basis of the priorities given by the Chief Traffic Manager, backlog, and locomotive location. The Chief Mechanical Engineer is responsible for planning the activities of the locomotive workshops for the next twenty four hours on the basis of the operations plan.

The operations plan is then passed to the Central Control Office; the Operations Controller is responsible for communicating the plan to each of the regions.

Goods in transit

Goods in transit are covered by a two purpose document, the "Waybill".

Waybills are four part sets, sequentially numbered, that are raised at the point of departure. For grain transports, the waybill is completed after each wagon has been weighed at the official waybridge.

The waybill gives the details of the consignor and consignee, final destination, wagon number, gross, net and tare weight and charges. For grain shipments, the name of the ship from which the grain came is also shown.

The top copy of the waybill goes with the goods to the final destination. It is used as the consignment note.

The second copy is sent to Headquarters where it acts as a notification to prepare an invoice.

The third copy is retained by the consignor, as proof of despatch, and to match against the KR invoice.

The fourth copy is retained at the despatching point as a permanent record.

On arrival at the final destination, the relevant station master or his assistant is responsible for informing the consignee that the goods are available.

The consignee then arranges offloading, signs the consignment note (waybill) as proof of delivery and takes possession of the goods.

Payment Procedures

For bulk goods KR operates a ledger accounting system which incorporates computerised consolidation of invoices for each debtor ledger on the 15th and last day of each month. Consolidated statements of account are sent out on these days to each customer, for payment within six days. There is thus a credit period of up to three weeks for any one consignment. KR requires, before any transaction is entered into, that each customer provides a bank guarantee, giving a maximum credit limit for that customer.

Procedure

At Mombasa, the goods are loaded onto wagons and weighed. A KR clerk fills out a waybill at a weighbridge which serves as both a consignment note and invoice. The waybill contains details of the consignment, its originating and destination stations, charges incurred and consignee. Four copies are prepared, for use as follows:

(i) One copy accompanies the goods, as a consignment note;

(ii) One copy is retained at the originating station;

(iii) One copy is sent to Headquarters, as an invoice;

(iv) One copy is retained by the customer.

Upon receipt, the following day, of the invoice copy, Headquarters revenue department first performs a manual verification of the charges incurred, which are determined according to the type of commodity, its weight, and the distance travelled. Details are then fed into the computer system against the customer's debtor ledger account. The computer has some inbuilt checks, for instance it will reject an entry where the account number and customer name do not agree with its records. A separate clerk verifies that details have been input correctly.

On the 15th and last day of each month the computer is programmed to consolidate each outstanding invoice on each debtor account into statements of account, which are then sent out for billing purposes. Thus an invoice raised on the fourteenth of the month will result in a bill being sent the following day. This may be before the goods have arrived at their destination. The movement of goods is monitored by station masters along the line who inform HQ by wire, and this information is fed into the computer.

Tariff

There is a separate tariff table for each type of commodity. For each commodity type there is a rate charged per 100 kg which is determined by distance travelled, in 10 km bands, and by total weight of consignment. The total weight of consignment determines the volume discount which is incorporated into the rate per 100 kg. This discount can be 30-50% of the top rate for consignments of 25000kg and above. Other charges include demurrage as appropriate, and special handling charges if goods are loaded outside the main loading area for any reason.

Performance Reporting

KR prepare the following major reports every 24 hours:

a) Stock Position Summary;

b) Movement of Traffic previous 24 hours.

The stock position summary and the daily performance report are complementary. The stock position summary shows the location and type of all rolling stock not in transit; the daily performance report shows the movements over the previous twenty four hours, up to 8 a.m.

The stock position summary is compiled on a station by station basis: information is passed from each station to the district then from there to the regional centre. The regional centre then passes the information to the Control Centre in Nairobi. There is a backlog summary built into the report, which shows the backlog on the twenty four hours and the cummulative backlog.

The stock position summary is used for the planning meeting. It is distributed to the Chief Traffic Manager and his two assistants.

The Movement of Traffic report is a summary of key information on punctuality, locomotive availability, workshop position, key commodity and customer position and it is a nine page document, that is prepared by the Control Centre in Nairobi before 8 a.m. each morning on the basis of the information supplied by the regional centre. It is distributed to the Managing Director, Chief Traffic Manager and his two assistants, and is used in the daily planning meeting.

Other reports are produced daily, such as the maize movement report, oil tanks cleared, position at Mombasa port, passenger train services. These reports are used by the Chief Traffic Manager primarily, to answer queries from GOK on specific commodities movements, and by the Assistant Chief Traffic Manager to follow up deviations from performance.

PROVINCIAL ADMINISTRATION

Introduction

In this section we provide a detailed description of:

a) planning procedures;

b) reporting and control procedures.

Planning Procedures

The planning of the amount of relief commodities to be issued to any district is done by balancing the requested amounts from all areas against the stocks available nationally. This is a task of the Central Co-ordinator in the Office of the President.

At the sublocation level, the Assistant Chief, together with the Food Committee, registers the number of people in need of famine relief in the sub-location. This is not done on the basis of formal assessments of nutritional needs and is revised infrequently. There is no established frequency for assessing numbers. This number is passed to the location chief, who collates the numbers by sub-location, and passes the total number in need information to the District Officer for his division.

The District Officer collates the information for all the locations in his division, and passes this to the District Commissioner, who then collates the information for the whole district and passes this to the Central Co-ordinator.

The Central Co-ordinator collates the information on the total numbers in distress by district and starts to prepare a distribution plan, by multiplying the total number in each district by 10Kg. to give the total required amount of food, until the time of the next allocation (normally allocations will be made monthly).

These requirements are presented to the Task Force, who are then responsible for deciding how the requirements can be met. This involves ascertaining the stocks currently held in each depot (supplied by NCPB) transport availability (NCPB, KTA, KR) and expected deliveries (NCPB, KPA). The distribution plan is then completed by allocating the amount of food to be sent to each district, and from which depot it will be supplied.

When this has been decided, the Central Co-ordinator informs the District Commissioners in the famine areas of the amounts allocated to his district, and the

supplying depot. He informs the District Commissioner by telephone, and follows up with a written letter of confirmation, copied to the NCPB depots concerned. This acts as an official authorisation for the District Commissioners to draw down food.

The District Commissioner, as soon as he has received information on the allocation that the Task Force has provided, convenes the District Food Committee.

The District Food Committee is composed of the local M.P, church leaders, NGO representatives, Ministry of Agriculture and Ministry of Health representatives, and the District Officers (including the District Supply Officer). It is chaired by the District Commissioner.

The Food Committee at District Level is convened in order to allocate food to the various Divisions on the basis of the most up to date information on respective needs. For example, one division may be in need of more food than another, although the numbers of distressed people were originally the same, because an NGO is not conducting a feeding program.

The process of allocating the available food supplies is continued by the lower levels of Food Committees, from division level to location level to sub-location level. It is intended that through this detailed examination of current local needs that the right amounts of food go to the most needy.

However, the skills and competence of the lower levels of the administration to assess needs on a coherent basis is called into question by NGO representatives on the ground. While the NGO representatives can supply some help in this respect, their actual role is not very clearly defined should a District Officer, Chief or Assistant Chief decide to dispense with their assistance in planning food distribution.

Reporting and control procedures

The reporting of issues of relief food is similar to the planning procedures in that information is supplied from the lowest level upwards.

The District Commissioner on the basis of the letter of authorisation to draw down food supplies from the central co-ordinator in the Office of the President, and the food plan drawn up by the District Food Committee, issues letters of authorisation, which are numbered and registered, to his District Officers.

The District Officers then liaise with the appropriate NCPB depot manager to arrange transport and delivery to the distribution points. The District Officer signs

for receipt of each lorry load, or he may authorise a Chief or Assistant Chief to collect on behalf of his location or sub-location. If authorising release to another official, the District Officer prepares a letter stating the amount to be drawn, the authorised official, the date, and destination of the food stuffs.

The District Officer, Chief, or Assistant Chief then distribute the food in accordance with the allocation plan. Each potential recipient of famine relief supplies has been registered. As food is given, the registered recipient signs or makes a mark to record the receipt of the food. The District Officer, Chief or Assistant Chief are responsible for recording the amount given out to each person, and the total amount distributed.

The total number of recipients, amount delivered and amount distributed are then calculated, and entered on the "Famine Relief Supplies - Distribution Point Record". This is completed after every distribution, and sent to the District Commissioner's Office.

The District Commissioner is responsible for compiling monthly "Famine Relief District Returns", which is derived from the "Distribution Point Records". The return includes:

a) District;

b) Commodity;

c) number of famine relief recipients;

d) total amount received, distributed and stock;

e) breakdown of distribution by location.

The completed return is sent to the Central Co-ordinator in the office of the President, who is responsible for compiling the "Famine Relief Supplies" records monthly. The information is derived from the District Returns and shows the distribution of each commodity district by district.

This is compared against the distribution plans of the district and allocations given by the Task Force, to check that distribution seems to be taking place at the correct rate.

While these procedures seem conceptually sound, compliance has been very weak through lack of understanding/knowledge at junior levels. Also, the District Officers generally do not seem to have a clear idea of their monitoring and checking role, especially in regard of ensuring that sub-location and location registers are maintained, and make sense.

The forms are not standard, preprinted returns, but are formats to be copied. This informality has also meant that Chiefs and Assistant Chiefs can claim that they have never seen the formats, so don't keep records.

There is no mechanism for cross-checking sublocation records to see whether people are receiving more than one allocation in a month; reliance is placed on the local knowledge of the Assistant Chiefs. With the movement of people in from the north, this is not sufficient - for example, Marsabit had an influx of 30,000 people in one month.

Monitors have reported that Assistant Chiefs and Chiefs are alleged, by famine relief recipients, to show favouritism, ask for money, or give to people who don't need food. NGO's estimate that up to 50% of all food relief at sub-location level is being misused; either going to people who don't require it or being spoiled by poor storage, or lost through pilfering.

Improved records will not prevent misappropriation or wastage on their own. Training and external monitoring are also necessary.