KenTrade

Your G2B trading partner

STRATEGIC PLAN

(2015/16-2019/20)

NOVEMBER 2015

TABLE OF CONTENTS   PAGE

List of Tables and Figures

LIST OF ABBREVIATIONS AND ACRONYMS

AAEC	-	African Alliance for E-Commerce
AFFA	-	Agriculture, Food and Fisheries Authority
BOD	–	Board of Directors
BPR	-	Business Process Re-engineering
CEO	-	Chief Executive Officer
C &F	-	Clearing and Forwarding
CMS	-	Customs Management System
CRM	-	Customer Relationship Management
CS & CC	-	Customer Service and Contact Centre
CSR	-	Corporate Social Responsibility
EAC	-	East African Community
EPA	-	Economic Partnership Agreement
ERM	-	Enterprise Resource Management
EU	-	European Union
FDI	-	Foreign Direct Investment
GDP	-	Gross Domestic Product
GoK	-	Government of Kenya
HCC	-	Head Corporate Communication
HR	-	Human Resource
HODs	-	Heads of Division/Department
ICT	-	Information and Communications Technology
IFMIS	-	Integrated Financial Management Information System
IMS	-	Information Management System
ISO	-	International Standards Organization
IT	-	Information Technology
KEBS	-	Kenya Bureau of Standards
KENTRADE	-	Kenya Trade Network Agency
KEPHIS	-	Kenya Plant Health Inspectorate Service
KIFWA	-	Kenya International Freight and Warehousing

		Association
KMA	-	Kenya Marine Authority
KNESWS	-	Kenya National Electronic Single Window System
KPA	-	Kenya Ports Authority
KPIs	-	Key Performance Indicators
KRA	-	Kenya Revenue Authority
KWATOS	-	Kilindini Waterfront Automated Terminal Operations System
MCS&CC	-	Manager Customer Service and Contact Centre
M & E	-	Monitoring and Evaluation
M E & R	-	Monitoring, Evaluation and Reporting
MF	-	Manager Finance
MIARC	-	Manager Internal Audit, Risk and Compliance
MICT	-	Manager ICT
MPCC	-	Mombasa Port Community Charter
MS&P	-	Manager Strategy and Planning
MTF	-	Manager Trade Facilitation
MTP	-	Medium-Term Plan
NPG	-	National Payment Gateway
NPS	-	National Payments System
NESWS	-	National Electronic Single Window System
PESTEL	-	Political, Economic, Social, Technological, Environmental and Legal factors
PM	-	Project Manager
PMS	-	Performance Management System
PPB	-	Pharmacy and Poisons Board
SWOT	-	Strengths, Weaknesses, Opportunities and Threats
SWS	-	Single Window System
TNA	-	Training Needs Assessment
UN	-	United Nations
WCO	-	World Customs Organization

WTO   -   World Trade Organization

FOREWORD

KenTrade is an implementer of one of the major flagship projects under the Economic Pillar of the Kenya Vision 2030: implementation of the National Electronic Single Window System (Kenya TradeNet). The implementation of the system is expected to contribute to the overall finance-sector goals and strategies as stipulated in the Kenya Vision 2030 and the Medium Term Plan Two (MTP2). Further, in line with the Mombasa Port Community Charter (MPCC), KenTrade has a major role to play in addressing the challenges that act as barriers to trade facilitation. The expectations from stakeholders involved in trade and trade facilitation is very high, and their goodwill towards implementation of the Kenya TradeNet is paramount. Therefore, it is important for KenTrade to develop and nature this goodwill.

I am therefore pleased to unveil KenTrade's 2015/16-2019/2020 Strategic Plan, which provides the road map working towards our Vision "*To be among the global leaders in e-commerce and trade facilitation*". In preparing this strategic plan, we took into account the Agency's performance and experiences so far, and the dynamic operating environment and the challenges it poses to the Agency so as to provide strategies and mechanisms that respond adequately to the challenges and expected changes.

This strategic plan expresses the future aspirations of all the stakeholders of the Agency. It is a framework through which we shall apply our resources and strengths to exploit the available opportunities and confront any threats that may face us towards achieving our mission "*To facilitate trade by simplifying and harmonizing business processes through effective management of the TradeNet System and provision of related services for Kenya's global competitiveness*".

The successful implementation of the strategic plan will require a combined effort of the various stakeholders. However, the primary responsibility of implementing this plan lies with the board, management and employees of KenTrade. The Board is committed to ensuring successful implementation of this Strategic Plan and will continuously provide an enabling environment to enable the management and staff realize their full potential. The

Board together with the management will endeavor to build and sustain linkages and collaborations with stakeholders to enhance synergy among players in trade facilitation in pursuit of the realization of the Kenya Vision 2030.

I take this opportunity to sincerely thank the entire team that was involved in the preparation of this Strategic Plan, including my Board of Directors, Management and all staff for their commitment during the process. I am optimistic that we have what it takes to achieve the objectives set out in this strategic plan.

Gen. Joseph R. E. Kibwana (Rtd). EGH, CBS
BOARD CHAIRMAN

PREFACE

I am pleased to unveil the second strategic plan for KenTrade covering the period 2015/16-2019/20. This is an opportune moment for us to look back and take stock of the last planning period as we plan for the next. Looking back, the previous Strategic Plan served us well and saw the operationalization of the Kenya TradeNet System. Although some of the targets set may not have been achieved, a good number of the initiatives that were planned were implemented successfully while others are in the finalization stage. We are therefore glad to move into the next phase with more experience and with optimism of achieving even more.

The 2015/16-2019/20 Strategic Plan has been prepared through a consultative process involving the Board, management, staff and key stakeholders. The participatory approach has been useful in enriching the process, programs and other initiatives proposed in the Plan and ensuring ownership at all levels which will subsequently enhance effective implementation. The Strategic Plan takes into account the experiences, challenges and lessons learnt during the implementation of the 2012/13 – 2014/15 strategic plan.

The Agency carried out a contextual analysis that entailed assessment of developmental and operational challenges taking into consideration both internal and external environments. It took stock of its internal strengths and weaknesses as well as the external opportunities and threats while considering the existing policy, political, economic, social, technological, environmental and legal frameworks in existence. In addition, the Agency conducted stakeholder and risks analyses in order to identify its stakeholders; their expectations and functional relationships with the Agency; together with potential risks in implementation. These analyses were instrumental in identifying mitigation measures and strategic issues that need to be addressed. The results of the analyses informed the formulation of the Agency's vision, mission and core values; determination of the strategic themes that need to be addressed during the planning period and subsequently formulating strategic objectives, strategies and activities in line with the Agency's mandate.

While implementing the Plan, the heads of divisions/departments will be responsible for meeting their respective service delivery targets in conformity with the implementation plan and the annual performance contracts. The Plan will be cascaded downwards into detailed annual work plans with clear performance targets. The Agency recognizes that successful implementation of this Plan will depend on the cooperation and commitment of key stakeholders and timely availability of resources. The Agency will therefore work very closely with the key stakeholders to ensure that the planned activities are implemented within the limited available resources.

I am confident that with the requisite support of all the stakeholders and guided by an appropriate corporate culture that is effectively informed by our core values: *Customer focus, Integrity, Efficiency, Equity, Accountability, Creativity and innovation, and Team work,* KenTrade will effectively realize its mission

I take this opportunity to thank the Board, Management and all Staff for their role in the development of this Strategic Plan. I also thank VAS Consultants for their commitment in guiding us through the process.

Amos S. Wangora
AG. CHIEF EXECUTIVE OFFICER

EXECUTIVE SUMMARY

Kenya Trade Network Agency (KenTrade) was formally established through legal notice No. 6 of 28th January 2011. The principle objective of KenTrade is to establish, operationalize and manage the Kenya National Electronic Single Window System (KNESWS) and to facilitate trade. To be able to overcome the challenges posed by the dynamic nature of the operating environment, the Agency recognized the need to develop a strategic plan that will guide its operations for the period 2015/16-2019/20.

Strategic Planning provides the framework that facilitates efficient and sustainable utilization of resources in the delivery of the core business of an organization. The Plan will help the Agency position itself strategically in its operational environment by aligning itself effectively to the changes taking place in that environment. In developing this plan, a participatory and an all-inclusive approach was adopted. The approach entailed review of various documents, consultations with key stakeholders and workshops.

Based on the foregoing, a review of the Agency's vision, mission and core values was undertaken, followed by a scan of the agency's operating internal and external environments. From the analysis, key strategic themes that require intervention during the planning period were identified. The strategic themes formed the basis for the setting up of strategic objectives for the agency for the next five years. The strategic themes identified are:

1. Legal and Regulatory Framework;
2. Management of the Single Window System;
3. Customer Service;
4. Business Development and Marketing; and
5. Institutional Capacity and Sustainability.

To address the strategic themes, the following strategic objectives were developed:

i.   To have appropriate legal and corporate governance frameworks in place by year 2020.

ii.   To maintain at least 99.982% availability of the Kenya TradeNet System.

iii. To facilitate reduction of cargo clearance time from 4.5 days to an average of one day and reduction of cost of doing business across borders by at least 10% by 2020.

iv. To increase quality and timeliness of service delivery to stakeholders by increasing customer satisfaction by 3% annually from the current baseline of 74%.

v. To raise internally generated funds to finance at least 20% of the Agency's operating budget by year 2020.

vi. To increase operational efficiency in service delivery.

vii. To ensure optimum productivity and enhanced service delivery by continuously developing the human capital of the Agency

To achieve these objectives, appropriate strategies and actions for each strategy were identified. In addition, the implementing actors, the time frame, the expected outcome and output indicators were determined. These have been documented in an implementation plan presented in chapter five of this strategic plan.

CHAPTER ONE

INTRODUCTION

1.1   ORGANIZATIONAL BACKGROUND

Kenya Trade Network Agency (KenTrade) was established through legal notice No. 6 of 28th January 2011. The principle objective of KenTrade is to establish, operationalize and manage the Kenya National Electronic Single Window System (KNESWS) also known as the Kenya TradeNet System and to facilitate trade. The Kenya TradeNet System needs to be integrated and interfaced with systems of all stakeholders involved in international trade to provide an end to end electronic solution for trade logistics. The Kenya Trade Net System, is to serve as a single entry point for parties involved in international trade and transport logistics to lodge documents electronically, for processing and approval and to make payments electronically for fees, levies, duties and taxes due to the Government, on goods imported /exported into/ from the country.

The Kenya TradeNet System is a Vision 2030 flagship project under the Economic Pillar, which seeks to help the country achieve a sustainable economic growth of 10% per annum. The Kenya TradeNet System is to integrate and interface with systems of all stakeholders involved in international trade to provide an end to end electronic solution for trade logistics. Establishment of the system is envisaged to bring about greater harmonization and better sharing of the relevant data across Government Departments/Systems and result in improved efficiency, transparency and effectiveness of official controls, enhance revenue collection and reduce costs of doing business for both the Government and the business community.

1.2   KENYA DEVELOPMENT CHALLENGES

1.2.1   Global and Regional Challenges

Kenya's long term development plan, the Vision 2030 highlights various challenges that the country will face in its quest to achieve the Vision's targets. The challenges emanating from the global and regional arena include greater competition at the international level emanating from changing global and regional trading arrangements in particular, the multilateral

trading arrangements under the World Trade Organizations (WTO) and the regional trading arrangement under the Economic Partnership Agreement (EPA) between the East African community (EAC) countries and the European Union (EU). The tariff reductions under the EPA imply increased access of EU producers of raw materials, capital equipment and final manufactured goods to the Kenyan market duty and quota free thus placing limits to the extent to which Kenya can pursue protectionist policies to promote industrial development. In addition, with the tariff revenues foregone on EU imports, the EPA will also limit the extent to which Kenya can rely on trade-related taxes for budgetary purposes.

1.2.2   National Challenges

In the internal environment, Kenya's challenges include: ensuring continued macroeconomic stability; minimizing institutional risks, especially related to corruption and security; scaling up the quantity and quality of infrastructure, especially the condition of roads, access to and reliability of water, delays in cargo clearance, high cost of electricity, port and rail services; inefficiencies due to limited adoption of new technologies, governance issues, high transaction costs for businesses; and low level of investments in relation to the GDP, estimated at 20% of GDP.

1.3   KENYA'S DEVELOPMENT AGENDA

Kenya's long term development agenda is set out in the Kenya Vision 2030. The aim of the Vision is to make Kenya a globally competitive and prosperous country by transforming it into an industrialized middle income nation, providing a high quality life for all its citizens in a clean and secure environment.

Kenya Vision 2030 is anchored on three pillars, namely economic, social and political. The Economic pillar: is geared towards achieving prosperity for all Kenyans by attaining an annual growth rate of 10% per annum and sustaining it through the Vision period. Under this pillar, flagship projects have been identified in tourism, agriculture, manufacturing, wholesale and retail, business process outsourcing and financial services.

The Social pillar: seeks to build a just and cohesive society with social equity in a clean and secure environment. The priority sectors identified to achieve this include education and training, health, water and sanitation, the environment, housing and urbanization, gender, youth and vulnerable groups.

The Political pillar: is intended to realize an issue based, people centred, result oriented and accountable democratic system. The specific areas identified for achievement of this priority are respect for the rule of law, protection of individual rights and freedoms, electoral and political processes, democracy and public service delivery, transparency and accountability, security, peace building and conflict resolution.

To operationalize the Kenya Vision 2030, the Government developed and implemented the first five-year Medium Term Plan (2008-2012). The second five-year Medium Term Plan is for years 2013-2017.

1.4   THE ROLE OF KENTRADE IN THE ACHIEVEMENT OF VISION 2030

Vision 2030 recognizes that the economy will expand as a result of growth in productivity. In the Economic pillar of the Vision, one of the flagship projects is the National Electronic Single Window System (NESWS) (Kenya TradeNet System) which seeks to integrate a complex heterogeneous government agencies ecosystem into a single common platform as shown in Figure 1. The system will help in streamlining clearance process for sea, air and land cargo hence positioning the country as a key trading hub in Africa. Based on the KRA report for 2011/2012, the estimated dwell time at the port of Mombasa is given as 8 days 9 hours, 15 hours 45 minutes for land border stations and 6 days 1 hour at the airports.
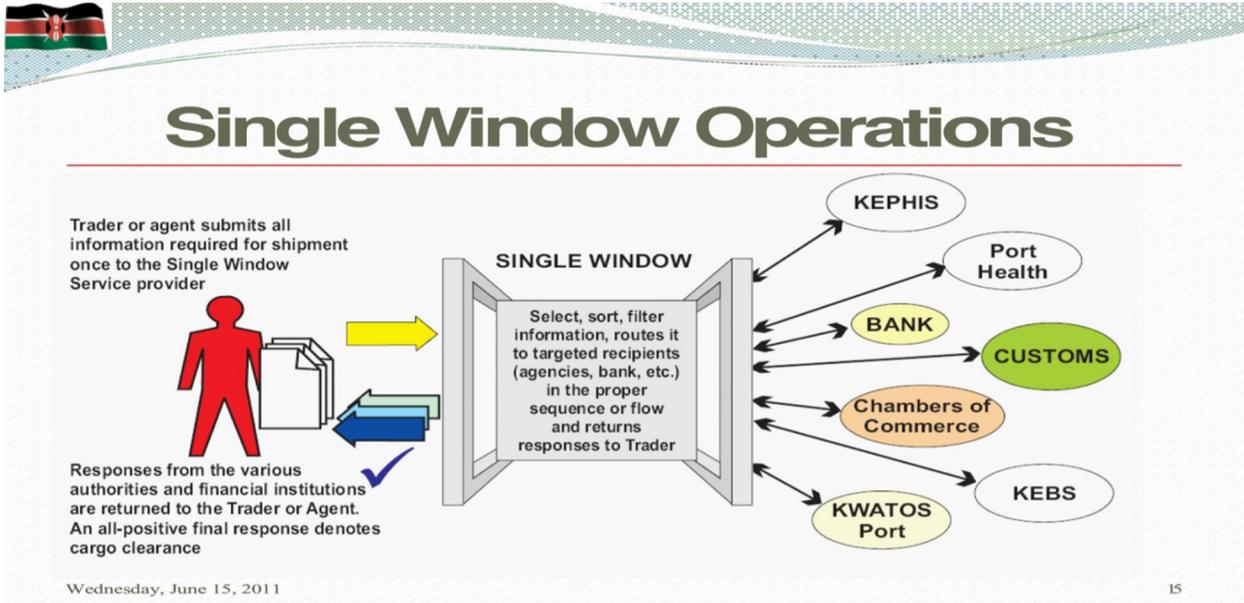
Figure 1: Single Window Operations

KenTrade therefore has an important role to play in the realization of Vision 2030 through implementation and management of the Kenya TradeNet System.

To fulfil its mandate, there is need to sustain linkages with other Government institutions including the National Treasury, Ministry of Foreign Affairs and International Trade, Ministry of Transport and Infrastructure, and Ministry of East Africa Affairs, Commerce and Tourism, Kenya Revenue Authority (KRA), Kenya Maritime Authority (KMA), Kenya Ports Authority (KPA) among other institutions both within the public and private sector.

1.5   RATIONALE FOR THE STRATEGIC PLAN

The strategic plan aims at identifying and selecting the most appropriate strategies for utilizing the skills and resources available to KenTrade to enable it achieve specified objectives, while taking into account the external environment in which it operates.

Given the envisaged benefits of the implementation of the Kenya TradeNet System, it is important that the process is properly managed through effective coordination of all the stakeholders (public & private sectors) involved in trade logistics. To this end and to enhance the discharge its mandate effectively and efficiently, the Agency realized the need to adopt a proactive approach by developing a strategy which will ensure a structured approach to the

management of Kenya TradeNet System and other trade facilitation initiatives. The strategic plan will enable it rally together resources and the efforts of its staff and other key players.

The strategic plan builds upon the existing government documents as well as lessons from implementation of the previous strategic plan.With the strategic plan, the Agency will be able to prioritise the most important aspects of its business and choose the most efficient ways of utilising its resources to effectively discharge its mandate.

1.6   EXPECTED OPERATING ENVIRONMENT/PLANNING ASSUMPTIONS

In developing the strategic plan, the following assumptions have been made based on the expected operating environment:

1) That there will be no adverse changes in regulations.
2) That the country's economic growth will remain on the upward trend.
3) That there shall be social and political stability in the country.
4) That the National Treasury will in the medium term continue funding KenTrade.

1.7   PLANNING METHODOLOGY

In developing the strategic plan, a participatory process was used. This approach is aimed at ensuring synergy in the generation of ideas, enhancing ownership of the strategic plan and enhancing its implementation. The methodology involved document review, pre-workshop interviews/discussions and strategic planning workshops.

1.7.1   Document Review

Some of the documents that were reviewed and subsequently informed the preparation of the strategic plan include:

i.   The Constitution of Kenya 2010;

ii.   Kenya Vision 2030;

iii.   Second Medium Term Plan 2013–2017;

iv.   Ministry of Devolution and Planning Guidelines for preparation of Strategic Plans 2013-2017;

v.   Legal Notice No. 6 of 2011;

vi.   KenTrade's Strategic Plan (2012/2013 – 2014/2015);

vii.   KenTrade's financial reports for the period 2012-2015;

viii.   Performance contract reports 2013/2014;

ix.   KenTrade Draft Bill, 2013;

x.   Draft Business Model;

xi.   The Single Window System documentation.

xii.   Kenya Revenue Authority Third Time Release Study 2011; and

xiii.   Report of the Presidential Taskforce on Parastatal Reforms, 2013.

1.7.2   Pre-Workshop Interviews/Discussions

Discussions were held with KenTrade management staff and selected stakeholders. These were aimed at obtaining information pertinent to the strategic planning process.

1.7.3   Strategic Planning Workshops

To incorporate the views of stakeholders, and in order to enhance ownership of the strategic plan, the following workshops were held:

i.   A two (2) day strategic planning workshop with the staff which culminated in a draft strategic plan.

ii.   A one (1) day strategic planning workshop with the Board and management to refine the draft strategic plan.

iii.   A half (1/2) day workshop with KenTrade stakeholders to allow for their input in the strategic plan.

1.8   ORGANIZATION OF THE PLAN

This strategic plan consists of seven chapters.

Chapter one is introduction, which covers KenTrade's background, Kenya's development challenges, Kenya's development agenda, role of KenTrade in attainment of Kenya's Vision 2030, the rationale for the strategic plan, planning assumptions, the methodology used in developing the plan and organization of the plan.

Chapter two presents the institutional review, covering KenTrade's mandate and core functions, vision, mission, and core values.

Chapter three presents situational analysis which comprises a review of KenTrade's past performance, the internal and external environment analysis and stakeholder analysis.

Chapter four provides the strategic analysis which consists of strategic themes, objectives and strategies.

Chapter five focuses on the implementation matrix, which covers the expected outcomes, activities, output indicators, time frame and implementing actors in respect of each strategy.

Chapter six deals with the institutional structure, and highlights the functions of the Board of Directors, the CEO, Divisions and Departments.

Chapter seven covers the monitoring, evaluation and reporting mechanism and includes the objectives of M E&R, the M E&R framework, accountability and risk, and key performance indicators that will enhance effective and efficient implementation of the strategic plan.

CHAPTER TWO

INSTITUTIONAL REVIEW

2.1   THE MANDATE OF KENTRADE

The mandate of the KenTrade as provided in the Legal Notice No. 6 of 28th 2011 is to establish and manage a National Electronic Single Window System (NESWS) and to facilitate trade. The National Electronic Single Window System shall serve as a single entry point for parties involved in international trade and transport logistics to:

    i.   Lodge documents electronically, for processing and approval; and

    ii. Make payments electronically for fees, levies, duties and taxes due to the government, on goods imported or exported in the country.

2.2   CORE FUNCTIONS

Arising from its Mandate, the Agency's core functions are to:

a) Implement, in consultation with the Minister for Finance, policies relating to the National Electronic Single Window System;

b) Integrate electronic systems of public and private entities involved in receipting, processing and approving documents relating to international trade transactions;

c) Develop, manage, and promote interchange of electronic data for facilitation of trade;

d) Undertake and co-ordinate research and surveys in electronic commerce aimed at simplifying and harmonizing trade documentation;

e) Maintain an electronic database of all imported and exported goods and services and the levies, fees, duties and taxes charged on imported or exported goods and services;

f) Collect trade statistics;

g) Plan, develop, monitor and evaluate training programs for all stakeholders to ensure conformity with international best practices; and

h) Perform such other functions related to trade facilitation and other such duties as the Minister may, from time to time, assign to the Agency.

2.3 VISION

To be among the global leaders in trade facilitation though e-commerce.

2.4 MISSION

To facilitate trade by simplifying and harmonizing business processes through effective management of the TradeNet System and provision of related services for Kenya's global competitiveness.

2.5 CORE VALUES

In an endeavor to realize its vision and mission, the Agency upholds the following core values:

i. Customer focus

The Agency commits itself to attaining the highest standards in service delivery to all stakeholders.

ii. Integrity

The Agency is committed to acting in an honest, transparent and responsible manner in discharging its roles.

iii. Efficiency

The Agency will ensure that all its operations are undertaken in a manner that facilitates efficiency and effectiveness in service delivery.

iv. Equity

In discharging its functions, the Agency will treat all stakeholders equitably.

v. Accountability

The Agency shall remain accountable to its stakeholders and will accept responsibility for its decisions and actions.

vi. Creativity and innovation

The Agency will be a learning organization that embraces change and continuously enhances creativity and innovation in its business processes.

vii. Team work

The staff and the Board of KenTrade shall work as a team and nurture a performance driven culture.

CHAPTER THREE

SITUATIONAL ANALYSIS

3.1 EVALUATION OF KENTRADES PAST PERFORMANCE

A review of KenTrade's past performance was undertaken in order to isolate those factors that have contributed to favourable or unfavourable results. This was carried out through an analysis of the Agency's performance in the implementation of the various objectives of the previous strategic plan. The results of the analysis are as follows:

1. **Legal and regulatory framework:** The Agency had planned to facilitate enactment of an Act of parliament and facilitate harmonization of conflicting legislation by 2015. The Agency managed to benchmark with Singapore, Japan, Philippines, Ghana, Madagascar, Malaysia and Mauritius for global best practices in Single Window System implementation. Consultative meetings with stakeholders were conducted to assess the level of preparedness for the imminent roll out of Kenya TradeNet System. Further, an overview of the legal regime governing trade, customs, licensing and related documentation was examined. A draft bill was developed and proposed amendments to the conflicting legislation drafted.

2. **Development and operationalization of National Electronic Single Window System**: KenTrade procured and implemented the system, which became operational in October 2013. On integration with stakeholder systems, the Agency has finalized phase one of integration while phase two is ongoing. The Agency undertook stakeholder training and capacity building on the use of the system with more than 5,000 stakeholders having been trained and 1992 users registered.

3. **Capacity Building of the Agency:** The Agency planned to build capacity to facilitate quality, efficient and effective services to the stakeholders. The Agency developed an organization structure, undertook training needs assessment and implemented trainings on need basis due to financial constraints. Similarly the implementation of the Organization structure was based on availability of funds and Business needs. The Human Resource Manual and related Polices were also developed and implemented. The Agency is in the process of finalizing a performance management tool in a bid to strengthen its performance management.

4. **Centralized database for trade statistics and information:** KenTrade had planned to review, simplify, harmonize and standardize relevant and current trade documentation; develop simple and user-friendly systems. The Agency is in the process of developing the Kenya TradeNet System that will capture trade statistics. Standardization of trade documents and formats is also ongoing.

5. **Customer service delivery:** KenTrade planned to eliminate multiplicity of trade documentation, unnecessary clearing processes and procedures and reduce transactional costs. The Agency has developed a standard data format and improved the clearing processes and procedures. KenTrade has also operationalized the customer contact centre, which was commissioned in January 2014 to support stakeholders in the use of Kenya TradeNet System.

6. **Financial sustainability:** The Agency planned to mobilize resources to support its activities. In addition to government funding, it managed to partner with development partners and secured financial support. The Agency has also identified potential sources of revenue including transaction fees for the use of the Kenya TradeNet System in its proposed business model. The business model is awaiting approval.

7. **Visibility and corporate image:** KenTrade developed a brand name and logo, and has developed a draft corporate social responsibility (CSR) policy. The Agency has developed a communication strategy.

3.2   CHALLENGES

During the implementation of the 2012-2015 Strategic Plan, KenTrade faced the following challenges:

1. Limited financial resources which hampered execution of some of the planned activities.

2. Delay in the appointment of the Board which resulted in delays in the necessary approvals.

3. Resistance to change by some stakeholders slowed the pace of the system implementation.

3.3   LESSONS LEARNT

KenTrade has learnt the following lessons from the implementation of the 2012-2015 Strategic Plan:

1. Adequate and competent staff is imperative in facilitating effective implementation of the Strategic Plan.

2. Stakeholder preparedness and buy-in is key in achieving the Agency's mandate thus there is need for continuous stakeholder sensitization on the mandate of the Agency, its functions and the likely impact of its activities on their operations.

3. Change management is critical for the successful implementation of the Kenya TradeNet System and thus KenTrade will need to implement a change management program as it continues with implementation of the system.

4. Team work among staff is key in ensuring effective discharge of KenTrade's mandate. Thus the Agency will continue to work as a team to enhance quality service delivery.

5. The cost of National Single Window System operations is high thus there is need for KenTrade to implement income generating initiatives to supplement government capitation in maintenance.

6. Political good will is critical and there is need for KenTrade to ensure good rapport with the Government.

7. Legal backing is important therefore the need for KenTrade to fast track enactment of the KenTrade Bill.

3.4   ENVIRONMENTAL SCANNING

In developing the strategic plan for KenTrade, an analysis of the Agency's internal and external operating environment was undertaken.

3.4.1   Internal Environment

Analysis of the internal environment entailed identification of issues within KenTrade that may positively (strengths) or negatively (weaknesses) affect its performance. The strengths and weaknesses identified are summarized below.

a) Strengths

The main strengths of KenTrade include:

i. Unique mandate and product (Kenya TradeNet System) with great potential;

ii. Competent and committed staff;

iii. Experienced, knowledgeable and supportive Board;

iv. Good ICT infrastructure;

v. Diversity in experience and knowledge among staff;

vi. Strong institutional linkage with Government;

vii. Young and ambitious workforce; and

viii. Strong relationships with development partners.

b) Weaknesses

The weaknesses of KenTrade are:

i. Dependence on Government and development partners for financial support;

ii. Limited human capital;

iii. Limited technical knowhow and Reliance on the vendor of the Kenya TradeNet System;

iv. Inadequate organizational structure;

v. Poor internal communication;

vi. Inadequate communication infrastructure;

vii. Inadequate office space; and

viii. Lack of disaster recovery and business continuity plan and capabilities.

3.4.2 External Environment

Analysis of the external environment identified factors outside KenTrade that may impact on the agency positively (opportunities) or negatively (threats). The analysis was undertaken through a review of the political, economic, social, technological, environmental and legal (PESTEL) factors which are outside KenTrade's control. From the external environment scan, the following opportunities and threats were identified:

a) Opportunities

The opportunities available to KenTrade include:

i. Political/government good will;

ii. Support from development partners;

iii. Regional integration leading to expanded customer base;

iv. Income generating opportunities such as software development and provision of consultancy services within the region and value added services;

v. Collaboration with stakeholder institutions such as shippers council, KIFWA and AAEC;

vi. Regional infrastructure development;

vii. Availability of human resource capital in Kenya;

viii. ICT advancements such as big data (data mining to identify useful patterns in data to provide hitherto unavailable information) ;

ix. Emerging technologies e.g. e-commerce;

x. Availability of IT infrastructure in the country;

xi. The single customs territory which will promote trade facilitation initiatives;

xii. Existence of an enabling legal environment and national IT policy;

xiii. WTO trade facilitation agreement; and

xiv. Technological obsolescence which creates market for new technological solutions that KenTrade can develop.

b) Threats

The threats to KenTrade are:

i. Weak legal framework for KenTrade and lack of enforcement mechanism;

ii. Resistance to change by stakeholders;

iii. Political interference;

iv. Technological obsolescence;

v. ICT security threats due to increased cybercrime;

vi. Adverse legal changes such as WTO and WCO;

vii. Multiplicity in system development (KRA and CMS similar to Kenya TradeNet System);

viii. Limited legislation in data protection;

ix. Conflicting legislation;

x. Change in government policy;

xi. Mergers of state Agencies; and

xii. Competition by organizations providing similar services.

3.5   STAKEHOLDER ANALYSIS

A stakeholder is any person, group or institution that has an interest in the operations of KenTrade. The Agency's key stakeholders are as identified in the table 1 below.

Table 1: Stakeholder Analysis

Stakeholder	Role/Functions of the Stakeholder	Stakeholder's expectations from KenTrade	What KenTrade should do to meet stakeholder's expectations	What the stakeholder should do to assist the KenTrade
Government ministries e.g. The National Treasury, Foreign Affairs and International Trade.	• Provision of an enabling environment • Compliance with set Agency's policies and guidelines • Provision of accurate and timely information • Supporting legal framework • Adequate funding of the Agency.	• Professionalism, transparency and accountability in execution of the Agency's functions • Timely setting and advise on Agency's policies and guidelines • Timely review of Agency's policies and guidelines.	• Implementation, effective and efficient management of the Kenya TradeNet System.	• Support KenTrade in implementing strategic and operational policies that includes trade and transport logistics.
Government Regulatory Agencies e.g. KRA, KEBS, KEPHIS, KPA, etc.	• Verification, approval and issuance of permits for exports and imports in and out of Kenya.	• Faster and efficient services in trade and transport logistics by implementing Kenya TradeNet System.	• Implement the Kenya TradeNet System.	• Support KenTrade in implementing strategic and operational policies that includes trade and transport logistics.
Shipping Agents	• Lodging and submission of sea manifests.	• Consolidated fees. • Integration with regional economies.	• Undertake prudent cost analysis to determine	• Support KenTrade in implementing strategic and operational policies and

Stakeholder	Role/Functions of the Stakeholder	Stakeholder's expectations from KenTrade	What KenTrade should do to meet stakeholder's expectations	What the stakeholder should do to assist the KenTrade
	• Receipt of payments from Clearing and Forwarding (C&F) Agents. • Issue of delivery orders to C & F Agents. • Receipt of documents from C & F Agents.	• Reliable and transparent document processing platform. • Stakeholder awareness. • Distribution of approved manifest	fees and how/when it should be paid. • Ensure efficient and effective Kenya TradeNet System implementation. • Actively participate in EAC fora on Single Window.	programmes that includes trade and transport logistics.
Clearing and Forwarding Agents	• Opening of consignment files. • Payment of all levies and charges.	• Simplified documentation process through the Kenya TradeNet System. • Facilitation of electronic payment of charges.	• Simplified documentation process through the Kenya TradeNet System. • Facilitate electronic payment of charges.	• Support and comply with the Kenya TradeNet System operational requirements. • Give feedback on the Agency's performance.
Shippers	• Cargo owners (Importers/exporters)	• Simplified documentation process through the Kenya TradeNet System. • Facilitation of electronic payment of charges.	• Simplified documentation process through the Kenya TradeNet System. • Facilitation of electronic payment of charges.	• Support and comply with the Kenya TradeNet System operational requirements. • Give feedback on the Agency's performance.

Stakeholder	Role/Functions of the Stakeholder	Stakeholder's expectations from KenTrade	What KenTrade should do to meet stakeholder's expectations	What the stakeholder should do to assist the KenTrade
Airlines operators and ground handlers	• Lodging/Submission of air manifest	• Integration with Regional Economies. • Reliable and Transparent document processing platform. • Adequate stakeholder sensitization/ awareness.	• Undertake prudent cost analysis to determine fees and how/when it should be paid. • Ensure efficient and effective Kenya TradeNet System Implementation.	• Support KenTrade in implementing strategic and operational policies and programmes that includes trade and transport logistics. • Give feedback on the Agency's performance. • Support KenTrade in rolling out a business model to ensure sustainability of the System • Support KenTrade in lobbying for enactment of KenTrade bill
Transporters	• Transport of cargo	• Timely and structured release of cargo. • Efficient ports gate system.	• Integration with KWATOS system.	• Compliance to operational requirements. • Efficient trucks. • Support KenTrade in rolling out a business model to ensure sustainability of the System. • Support KenTrade in lobbying for enactment of KenTrade bill.

Stakeholder	Role/Functions of the Stakeholder	Stakeholder's expectations from KenTrade	What KenTrade should do to meet stakeholder's expectations	What the stakeholder should do to assist the KenTrade
Pre-shipment permit organizations e.g. AFFA (Tea, Coffee and Horticulture Directorates), PPB, etc.	• Issue of pre-shipment permits.	• Digitization of the issuance of permits. • Availability of a dynamic risk management system	• Facilitate online issuance of permits. • Provide dynamic risk module for targeting cargo.	• Conform to the re-engineered permit issuance procedure to comply with the Kenya TradeNet System. • Support KenTrade in rolling out a business model to ensure sustainability of the System • Support KenTrade in lobbying for enactment of KenTrade bill.
Banks	• Collection of payments • Approval of bonds	• Facilitation of electronic payment for permits. • Timely approval of Security Bonds	• Facilitate online issuance of permits • Facilitate online application of Security Bonds	• Timely execution of their chores
Insurance Companies	• Approval of bonds	• Timely approval of Security Bonds	• Facilitate online application of Security Bonds	• Timely execution of their chores
Exporters and importers	• Opening of consignment files; • Payment of all levies and charges; goods collection.	• Simplified documentation process through the Kenya TradeNet System;	• Simplified documentation process through the Kenya TradeNet System; and	• Support and comply with the Kenya TradeNet System operational requirements; and

Stakeholder	Role/Functions of the Stakeholder	Stakeholder's expectations from KenTrade	What KenTrade should do to meet stakeholder's expectations	What the stakeholder should do to assist the KenTrade
	• Lodging of customs document through Kenya TradeNet System.	• Facilitation of electronic payment of charges. • Minimum time lag in integration.	• Facilitate electronic payment of charges. • Minimum system interruptions	• Give feedback on the Agency's performance.
Development Partners	• Provision of Technical and financial support.	• Prudent utilization of donor funds. • Timely implementation of the Kenya TradeNet System. • Frequent feedback on the Kenya TradeNet System implementation status.	• Conform to agreed implementation timelines and procedures. • Develop an effective monitoring, evaluation & reporting framework.	• Provide technical assistance and advice. • Ensure timely disbursement • Support KenTrade in rolling out a business model to ensure sustainability of the System • Support KenTrade in lobbying for enactment of KenTrade bill
Board of directors	• Policy direction • Support in resource mobilization • Good corporate governance	• Implementation of developed policies • Achievement of the Agency's objectives	• Effective and efficient management of Kenya TradeNet System • Adherence to policy guidelines	• Provision of policy direction in a timely manner • Adherence to good corporate governance
Staff	• Innovation, creativity and optimal productivity	• Job security and sustainability of the Agency	• Implementation of best practices in human resource management	• Innovation, creativity and enhanced productivity • Adherence to set policies and procedures.

Stakeholder	Role/Functions of the Stakeholder	Stakeholder's expectations from KenTrade	What KenTrade should do to meet stakeholder's expectations	What the stakeholder should do to assist the KenTrade
	• Commitment to the Agency's mandate • Efficiency and effectiveness in service delivery	• Professional development • Competitive and equitable remuneration • Healthy, safe and secure working environment		

CHAPTER FOUR

STRATEGIC MODEL

4.1   STRATEGIC THEMES

Strategic themes are the key performance areas in which an organization must excel to achieve its mission and vision, and deliver value to its customers. They are the organization's pillars of excellence. The identified strategic themes for KenTrade for the planning period are:

1. Legal and regulatory framework;
2. Management of the Kenya TradeNet System (National Single Window System);
3. Customer service;
4. Business development and marketing; and
5. Institutional capacity and sustainability.

7.1.1   Legal and Regulatory Framework

For KenTrade to succeed in execution of its mandate, it needs a strong backing of the law. Thus the Agency will pursue the enactment of an enabling Act of parliament by ensuring finalization of the draft bill. Further there will be need for the harmonization of existing legislation that govern stakeholders involved in international trade to ensure they are in tandem with the Kenya TradeNet System initiative.

Good corporate governance helps organizations in improving economic efficiency and growth as well as enhancing stakeholder confidence. Thus there's need to strengthen corporate governance of the Agency.

7.1.2   Management of the Kenya TradeNet System

With the implementation of the Kenya TradeNet System, KenTrade's focus during this planning period is to effectively manage the system with the aim of ensuring delivery of its objectives of reducing delays and lowering costs associated with clearance of goods at the Kenyan borders while maintaining requisite controls and collection of levies, fees, duties and

taxes where applicable on imports and exports. Towards this, KenTrade will use the latest systems that will enable achievement of the highest level of availability of Kenya TradeNet.

For effective management of the Kenya TradeNet System KenTrade intends to enhance integration of the system with those of stakeholders, strengthen security of the systems that will assure integrity as well as ensure adequate hardware maintenance and software upgrading.

To enhance stakeholder appreciation and use of the system, KenTrade will work closely with its key stakeholders to ensure the necessary cooperation during the implementation process. In addition, there will be need for stakeholder capacity building to enhance the use of the system.

7.1.3   Customer Service

KenTrade recognizes and values its customers/stakeholders and is committed to meeting their expectations through maintaining high standards of service delivery. To achieve this, the Agency will entrench a customer service culture aimed at ensuring excellent service to stakeholders.

7.1.4   Business Development and Marketing

To ensure financial sustainability of the Agency, it is imperative that the Agency develops new products and services that meet stakeholders' needs. Thus there is need for continuous research and development aimed at identifying market gaps that require new products and services or improvement of the existing products and services.

KenTrade intends to enhance its visibility so as to enhance awareness of its existence and operations among the stakeholders. The Agency also appreciates the importance of giving back to the society and will therefore put in place measures that will increase its participation in corporate social responsibility (CSR) activities.

7.1.5 Institutional Capacity and Sustainability

Adequate human resource capacity is key in ensuring that KenTrade achieves its mandate and vision. As such an appropriate organizational structure needs to be put in place. In addition the Agency will strive to maintain qualified and skilled human resource. Further the Agency needs to enhance employee performance management through strengthening of the performance management system to enable effective monitoring of employee productivity and taking of corrective measures where possible. There will also be need to streamline the operations of the Agency by putting in place adequate facilities to promote efficiency and effectiveness.

4.2 OBJECTIVES AND STRATEGIES

The strategic themes gave rise to the following strategic objectives and strategies:

Table 2: Strategic Themes, Objectives and Strategies

Strategic theme	Objective	Strategies
Legal and Regulatory Framework	To have appropriate legal and Corporate Governance frameworks in place by 2020.	i. Facilitate the enactment of the Act and electronic payment system regulation.
		ii. Facilitate harmonization of conflicting legislations.
		iii. Compliance with good corporate governance and Mwongozo guidelines.
Management of the Single Window System	1. To maintain at least 99.982% availability of the Kenya TradeNet System.	i. Set up the Kenya TradeNet System Secondary hosting site.
		ii. Set up the Kenya TradeNet System Disaster Recovery hosting site.
		iii. Develop and implement the second generation Kenya TradeNet system.
		iv. Replace the Kenya TradeNet Primary hosting Infrastructure.
		v. Replace the Kenya TradeNet Secondary hosting Infrastructure.
	2. To facilitate reduction of cargo clearance time from 4.5 days to an average of one day and reduction of cost of doing business across borders by at least 10% by 2020.	i. Full operationalization of the Kenya TradeNet.
		ii. Integrate the Kenya TradeNet System with stakeholder systems.
		iii. Implement a paperless environment.
		iv. Implement the e-Trade Portal.
Customer service		i. Enhance customer satisfaction

Strategic theme	Objective	Strategies
	To increase quality and timeliness of service delivery to stakeholders by 3% annually from the current baseline of 74%.	ii. Benchmarking with the industry for best practices.
		iii. Enhance CS&CC staff capacity
		iv. Enhance communication to stakeholders
Business Development and Marketing	To raise internally generated funds to finance at least20% of the Agency's operating budget by year 2020.	i. Introduce new products and services.
		ii. Implement a business pricing model.
		iii. Enhance visibility and corporate image
Institutional Capacity and Sustainability	1. To increase operational efficiency in service delivery by 2020.	i. Improve business processes
		ii. Enhance use of ICT based solutions
		iii. Strengthen risk management and internal controls
		iv. Expenditure control
		v. Research and development
	2. To ensure optimum productivity and enhanced service delivery by continuously developing the human capital of the Agency.	i. Institutionalize the performance management framework.
		ii. Implement effective HR policies.
		iii. Ensure optimal staff complement by reviewing the organizational structure.
		iv. Strengthen staff capacity
		v. Enhance employee motivation

CHAPTER FIVE

IMPLEMENTATION PLAN

This chapter presents the implementation matrix, which covers strategic objectives, strategies, activities, implementing actors, time frame, expected outcomes and output indicators.

THEME 1: LEGAL AND REGULATORY FRAMEWORK

Objective 1: To have appropriate legal and corporate Governance frameworks in place by 2020.

Strategy	Activity	Expected Outcome	Output indicator	Timeline	Implementing Actor
Facilitate enactment of the Act and national payment gateway regulations	Revision of the draft bill	Supportive legislation	Draft bill	December 2016	Head of Legal Affairs
	Revision of the NPG regulations	Operational NPG regulations	Draft NPG regulations	June 2017	Head of Legal Affairs
	Sensitization of stakeholders on the bill	Stakeholder acceptance of the bill	Meetings with key stakeholders	October 2016	Head of Legal Affairs/CEO/ Board
Facilitate harmonization of conflicting legislations	Identify conflicting legislations and draft necessary amendments	Harmonized legislation	Draft amendments	June 2016	Head of Legal Affairs/CEO/ Board
	Sensitization of Stakeholders on the proposed amendments	Stakeholder acceptance of the amendments	Meetings with key stakeholders	December 2016	Head of Legal Affairs/CEO/ Board

Strategy	Activity	Expected Outcome	Output indicator	Timeline	Implementing Actor
	Lobbying with Parliament and Stakeholders	Government/ stakeholder support and acceptance of the bill	Conflicting legislations amended and harmonized with the Act	December 2016	Head of Legal Affairs/CEO/ Board
Compliance with good corporate governance and Mwongozo guidelines	Undertake training of board members and senior management on corporate governance	Better understanding of corporate governance by board members and senior management	Number of people trained certificate and training report	December 2015	Head of Legal Affairs
	Revise the board charter	Improved decision making by the board of directors	Revised Board charter	December 2015	Head of Legal Affairs
	Board undertake performance evaluation	Improved accountability of the board	Board evaluation report	June 2016	Head of Legal Affairs/CEO/ Board

THEME 2: MANAGEMENT OF THE SINGLE WINDOW SYSTEM

Objective 2.1: To maintain at least 99.982% availability of the Kenya TradeNet System.

Strategy	Activity	Expected Outcome	Output indicator	Timeline	Implementing Actor
Set up the Kenya TradeNet System Secondary hosting site.	Mobilize funds	Sufficient budget allocation	Amount allocated	30th June 2016	CEO/MF
	Develop specifications	Approved specifications	Approved specifications document	30th June 2016	MICT
	Procure the services	Service provider	Signed contract with service provider	31st Dec 2015	Manager Procurement
	Set up the Site	Working failover site	Level of system uptime	30th June 2016	MICT
Set up the Kenya TradeNet System Disaster Recovery hosting site.	Mobilize funds	Sufficient budget allocation	Amount allocated	30th June 2016	CEO/MF
	Develop specifications	Approved specifications	Approved specifications document	31st Mar 2016	MICT
	Procure the Services	Service provider	Signed contract with service provider	30th June 2016	Manager Procurement
	Set up the Site	Working DR site	Data availability	June 2017	MICT
Develop and implement the	Undertake project scoping	Approved concept	Approved concept document	June 2017	MICT

Strategy	Activity	Expected Outcome	Output indicator	Timeline	Implementing Actor
second generation Kenya TradeNet system.	Mobilize funds	Sufficient budget allocation	Amount allocated	June 2017	MICT/MF
	Recruit human capacity	Adequate human capacity	No. Of staff recruited	June 2017	MICT
	Develop business requirements specifications	Approved BPR	Approved BPR document		MICT
	Design the system	Approved system requirements specifications	Approved system requirements specifications document	September 2017	MICT
	Develop and test system	Operational system	Signed off test certificate	December 2017	MICT
	Implement the system	Working second generation Kenya TradeNet system	System availability	June 2018	MICT
Replace the Kenya TradeNet Primary hosting infrastructure	Mobilize funds	Sufficient budget allocation	Amount allocated	June 2017	MICT/MF
	Develop specifications	Approved specifications	Approved specifications document	September 2017	MICT
	Procure the Services	Service Provider	Signed contract with service provider	September 2017	MICT/PM
	Set up the infrastructure	Working infrastructure	Level of system uptime	30th June 2018	MICT

Strategy	Activity	Expected Outcome	Output indicator	Timeline	Implementing Actor
Replace the Kenya TradeNet Secondary hosting.	Mobilize funding	Sufficient budget allocation	Amount allocated	June 2019	MF
	Develop specifications	Approved specifications	Approved specifications document	September 2019	MICT
	Procure the Services	Service provider	Signed contract with service provider	September 2019	MICT/PM
	Set up the infrastructure	Working infrastructure	Level of system uptime	30th June 2020	MICT

Objective 2.2: To reduce cargo clearance time from 4.5 days to an average of one day by 2020 and the cost of doing business across borders by at least 10% by 2020

Strategy	Activity	Expected Outcome	Output indicator	Timeline	Implementing Actor
Full operationalization of the Kenya TradeNet System	Implement the remaining modules of the system	Fully operational Kenya TradeNet system	Cargo clearance time and cost of doing business	June 2016	MICT/MTF
	Develop and disseminate operating instructions and guidelines for the system to users	Effective utilization of the system	Operational instructions and guidelines manuals in place	June 2016	MTF
	Put in place a business continuity and disaster recovery plan	Business continuity and disaster recovery plan	Operational Business continuity and disaster recovery plan	June 2016	MIARC/MTF/MICT
Integrate the Kenya TradeNet System with stakeholder systems every year.	Mobilize resources	Sufficient budget allocation	Amount allocated	Annually	MICT/MTF
	Develop integration specifications	Approved integration specifications	Approved specifications document	Annually	MICT/MTF
	Implement the integration	Working integration	Number stakeholder system integrated	Annually	MICT/MTF
Implement a paperless environment	Bring on board all PGAs and end users	More PGAs and end users enrolled to use system	Number of users and number of documents.	December 2016	MICT/MTF

Strategy	Activity	Expected Outcome	Output indicator	Timeline	Implementing Actor
	Streamline trade processes of PGAs	Streamlined trade processes	Number of Sign-offs with PGAs	Annually	MICT/MTF
	Simplify and harmonize (re-engineer) business processes of PGAs	Simplified and harmonized processes	Number of Sign-offs with PGAs	Annually	MICT/MTF
Implement the e-trade portal	Undertake project scoping	Approved concept	Approved concept document	June 2016	MICT/MTF
	Mobilize funding	Sufficient budget allocation	Amount allocated	September 2016	MF/CEO
	Map business processes and procedures	Approved business processes and procedures	Business process and procedure manuals	December 2016	MTF
	Update the system with business processes	Updated system	Number Of business processes and procedures mapped	June 2017	Project Manager

THEME 3: CUSTOMER SERVICE

Objective 3: To increase quality and timeliness of service delivery to stakeholders by 3% annually from the current baseline of 74%

Strategy	Activity	Expected Outcome	Output indicator	Timeline	Implementing Actor
Enhance customer satisfaction	Implement all modules of the CRM system	Timely response to customers	Turn-around-time	December 2017	MCS&CC
	Fully utilize the voice monitoring capabilities of the Avaya system	Timely response to customers	Turn-around-time	December 2017	MCS&CC
	Implement the customer service charter	Adherence to service charter commitments	Level of customer satisfaction	December 2017	MCS&CC
Benchmarking with the industry for best practices	Identify and visit reputable contact centre's	Industry's best practices on customer relationship management	Benchmarking report	December 2016	MCS&CC
	Implement the benchmarking recommendations	Increased customer satisfaction	Level of customer satisfaction	December 2016	MCS&CC
Enhance CS&CC staff capacity	Identify gaps in customer relationship management among the staffs	Gaps in CRM	Gaps analysis report	December 2015 and continuous	MCS&CC
	Carry out couching and mentoring	Improved customer communication and positive attitude	Level of customer complaints Reduced number of escalations cases	December 2015 and continuous	MCS&CC

Strategy	Activity	Expected Outcome	Output indicator	Timeline	Implementing Actor
Enhance Communication to stakeholders	Use ICT innovations for Proactive communication	Less aggressive and more understanding customers	Level customer complaints	December 2015	MCS&CC/MICT
	Sensitize stakeholders on Kenya TradeNet System and availability of the call centre services	Informed and satisfied stakeholder community and Increased usage of the system	Level customer satisfaction Kenya TradeNet System usage	Continuous	MCS&CC

THEME 4: BUSINESS DEVELOPMENT AND MARKETING

Objective 4: To raise internally generated funds to finance at least 20% of the Agency's operating budget by year 2020

Strategy	Activity	Expected Outcome	Output indicator	Timeline	Implementing Actor
Introduce new products and services	Identify potential new products and prioritize them	New products and services offering	Number of products/ services identified	December 2015	MTF/MICT
	Undertake research and development through collaborative arrangements with educational and research institutions	Informed products/ services development	Signed collaboration framework agreement number of products/ services identified	June 2016 and continuous	MTF/MICT/MS&P
	Launch and market the new products to potential users	Uptake of new products increased revenue	Level of products/ services uptake. Amount generated from new products	January 2017	MTF/MICT/MS&P
Develop and implement a business pricing model.	Carry out market research	Informed pricing model	Market research report	December 2015	MTF/MICT/MS&P
	Develop the appropriate charges for the products/services	Optimal pricing for services	Pricing structure in place	December 2015	MF/MTF/MICT

Strategy	Activity	Expected Outcome	Output indicator	Timeline	Implementing Actor
	Implement the pricing structure	Increased revenue	Amount generated	Continuous	MF/MTF
Enhance visibility and corporate image	Develop and implement communication strategy	Increased stakeholder engagement Increased public awareness	Operational communication strategy	December 2015 and continuous	HCC
	Develop and implement social responsibility programs	Operational the CSR program in place Increased public awareness on KenTrade	Operational the CSR program in place	June 2016 and continuous	HCC
	Establish relations with the media through media briefing, press releases and press conferences	Positive media coverage	Level of media engagements	Continuous	HCC

THEME 5: INSTITUTIONAL CAPACITY AND SUSTAINABILITY

Objective 5.1: To increase operational efficiency in service delivery

Strategy	Activity	Expected Outcome	Output indicator	Timeline	Implementing Actor
Improve business processes	Finalize development of policies and operational manuals	Service business processes	Policies and operational manuals in place	December 2015	HODs
	Document processes for ISO certification	Increased quality in service delivery	Documentation of all processes	December 2015	HODs
	Acquire ISO certification	Increased quality in service delivery	ISO certification attained	March 2016	CEO/ HODs
Enhance use of ICT based solutions	Implement IFMIS	Increase in operations	Timely and accurate management of reports	September 2015	MICT/HODs
	Procure and implement ERM	Increase in operations	ERM system in place	June 2016	MICT/HODs
	Train staff in use of ICT solutions	Improved productivity	Level of use of ICT	Continuous	MICT/HODs
Strengthen risk management and internal controls	Undertake business processes Risk identification and analysis	Effective risk management	Risk assessment report	December 2015	MIARC
	Implement appropriate risk controls and monitoring systems	Reduced risk exposure for the agency	Level of risk exposure	Continuous	MIARC

Strategy	Activity	Expected Outcome	Output indicator	Timeline	Implementing Actor
	Develop and implement business continuity plan	Reduced risk exposure for the agency	Business continuity plan	June 2016	MIARC
	Develop and implement appropriate internal controls	Effective internal controls	Internal control systems on place	June 2016	MIARC
Expenditure control	Prepare departmental work plans and budgets	Increased operational efficiency	Departmental work plans and budgets in place	Annually	HODs
	Implement the approved plans and budgets	Increased efficiency	Impact of annual work plans and budgets	Annually	HODs
	Prepare and implement a monitoring and evaluation work plan	Expenditure control	M& E reports	Annually	MS&P
Research and development	Identify research areas across the Agency	Information based decisions	Areas of research identified	June 2016	HODs
	Develop research plan	Increased efficiency	Research plan in place	Annually	HODs
	Undertake research and circulate findings	Information based decisions	Research reports	Annually	HODs
	Implement the research recommendations	Effective decisions	Impact of decisions on KenTrade operations	Continuous	HODs

Objective 5.2: To ensure optimum productivity and enhanced service delivery by continuously developing the human capital of the Agency.

Strategy	Activity	Expected Outcome	Output indicator	Timeline	Implementing Actor
Institutionalize the performance management framework	Develop performance management policy	Increased staff productivity	Performance management system in place	December 2015	Manager HR & Admin
	Implement performance management system	Increased staff productivity	Staff performance appraisal	December 2016	Manager HR & Admin
	Develop a performance based reward and recognition system	Improved employee morale and staff satisfaction	Recognition reward and system in place	December 2016	Manager HR & Admin
	Implementation of the rewards and recognition system	Improved employee morale and staff satisfaction	Employees rewarded or sanctioned	December 2016	Manager HR & Admin
Implement effective HR policies	Identify the gaps in the HR policy manual	Best practices in HR management	Gap analysis report	December 2015	Manager HR & Admin
	Review the HR policies	Best practices in HR management adopted	Revised HR policy	June 2016	Manager HR & Admin
	Implement the revised HR manual	Improved employee morale and staff satisfaction	Level of employee satisfaction	Continuous	Manager HR & Admin
Ensure optimal staff complement by reviewing the	Identify HR gaps based on the business model	Adequately resourced Agency	Staff gaps analysis report	June 2016	Manager HR & Admin

Strategy	Activity	Expected Outcome	Output indicator	Timeline	Implementing Actor
organization structure	Design organization structure and undertake job evaluation	Optimal staffing levels at the agency	Reviewed organization structure	December 2016	Manager HR & Admin
Strengthen staff capacity	Conduct Training Needs Assessment (TNA)	Enhanced competency levels and performance	TNA report	Annually	Manager HR & Admin
	Develop and implement training programs	Enhanced competency levels and performance	Training reports Training evaluation reports	Continuous	Manager HR & Admin/ Training committee
Enhance employee motivation	Develop and implement employee welfare and benefits program	Increased staff motivation and productivity	Welfare and benefits programs in place	June 2016	Manager HR & Admin
	Acquire enough office space and provide necessary equipment	Enhance employee commitment and engagement	Adequate office space	Continuous	Manager HR & Admin
	Conduct employee satisfaction & work environment surveys	Increased employee satisfaction	Employee satisfaction of work environment and survey reports	Annually	Manager HR & Admin
	Implement recommendations of the survey	Increased employee satisfaction	Level of employee satisfaction	Annually	Manager HR & Admin

44

CHAPTER SIX

INSTITUTIONAL STRUCTURE AND FUNCTIONS

To facilitate the effective and efficient execution of the Strategic Plan KenTrade will adopt the following structure and functions.

6.1 BOARD OF DIRECTORS

The role of the BOD is to provide policy guidelines in discharging KenTrade's mandate. The responsibility of the Board is to establish and maintain full and effective control over the strategic, financial, operational and compliance matters of the Agency. The Board establishes committees as appropriate to enable it fulfil its mandate efficiently. During the planning period the following committees will assist the board in discharging its role:

i.   Human Resource and Administration Committee;

ii. Finance Committee;

iii. Technical/Business Committee; and

iv. Audit and Risk Committee

6.2 OFFICE OF THE CHIEF EXECUTIVE OFFICER

The responsibility of the office of the CEO is providing leadership in the management of the Agency and implementation of the Agency's long and short term plans in accordance with its strategy. In addition, the CEO ensures proper and efficient management of the Agency under the policy guidance of the Board.

6.3 DIVISIONS AND DEPARTMENTS

In order to effectively implement the strategies and activities identified in this Strategic Plan, the following organizational arrangements are in place:

i.   Operations Division; and

ii. Corporate Services Division.

The description of the functions of the divisions and departments are as follows:

6.3.1   Operations Division

This operations division has the following departments:-

a) Trade Facilitation: The core functions of the department include:

i.   Coordination and formulation of trade facilitation policies and programmes in line with established corporate guidelines;

ii. Coordination and direction of the Agency's trade facilitation activities and programmes;

iii. Supporting and providing customer service with responsibility to ensure that the Kenya TradeNet System is accessible all over the country;

iv. Facilitating training of personnel on changes in regulations, policies and new trade systems;

v.   Liaising with stakeholder organizations that provide data on international trade and other information required;

vi. Ensuring maintenance of accurate data and information on international trade;

vii. Undertaking stakeholder capacity building on issues of international trade; and

viii. Management of trade statistics.

b) ICT: The core functions of the department include:-

i.   Formulation and implementation of ICT policies and procedures;

ii.   Development, implementation and management of computerized information system;

iii. Provision of ICT services to transform KenTrade into an automated work environment that supports efficient and effective service delivery;

iv.   Provision of appropriate information and guidance on emerging trends and best practices in ICT to enable KenTrade optimize usage of technology;

v.   Ensuring well-coordinated information dissemination systems with sufficient controls to capture and process data;

vi.   Conducting and coordinating of user training;

vii. Maintenance of the KenTrade's website;

viii. Development and maintenance of the software and hardware;

ix.   Implementation, administration and maintenance of the network infrastructure including technology needs assessment and maintenance of network security; and

x.   Administration of corporate Information Management Systems (IMS).

c) Customer Service: The core functions of the department include:

i.   Formulating and implementing a customer service policy;

ii.   Implementing customer-service standards;

iii.   Ensuring efficient and prompt handling of all customers' inquiries / complaints whether relayed by phone, letter, e-mail or in person;

iv.   Provide system support to Kenya TradeNet System users through telephone, email or premise visits;

v.   Providing training to Kenya TradeNet System users on the business process and operations of the system;

vi.   Identify customer service trends, determine system improvements and implement desired change within agreed timelines;

vii.   Maintain detailed records of customer interactions and transactions, record details of inquiries, comments, complaints and of actions taken;

viii.   Determine customer service requirements by undertaking research and analysing customer needs;

ix.   Ensuring that all relevant standards within the Customer Service department are met; and

x.   Creating and maintaining a positive, supportive, customer oriented environment for all clients.

6.3.2   Corporate Division

The Corporate Services Division has the following departments:-

a) Finance: The core functions of the department include:

i.   Development and review of financial policies and ensuring adherence to the same;

ii.   Implementation and maintenance of the financial system and sound internal controls;

iii.   Monitoring and advising on expenditure trends and projections to ensure controls are in place and adhered to;

iv. Spearheading implementation of resource mobilization initiatives and project proposals; and

v. Monitoring financial expenditure trends and projections and preparing required feedback reports.

b) **Human Resource Management and Administration:** The core functions of the department include:

i. Formulation and review of KenTrade's administration policies and procedures;

ii. Ensuring availability of competent and adequate personnel who are appropriately deployed;

iii. Development of human resource management policies and procedures which reflect best practices for KenTrade's effective performance;

iv. Administration of staff remuneration and benefits;

v. Ensuring compliance with labour laws and regulations;

vi. Overseeing employee welfare;

vii. Planning and directing human resource development, performance management and career development processes and programs;

viii. Preparing, implementing and controlling the Human Resource and administration budget; and

ix. Enforcing safety and security procedures.

In addition, the Agency will have the following departments reporting directly to the CEO:

1. **Procurement:** The core functions of the department include:

i. Development, implementation and enforcement of procurement policies and regulations in line with procurement laws and regulations;

ii. Preparation and implementation in liaison with respective user departments, the organization's procurement plan in order to realize the set objectives;

iii. Managing and advising on asset disposal as and when required;

iv. Facilitating implementation of the procurement and tender committees' decisions;

v. Managing and monitoring contracts to ensure timely execution and renewals;

vi.   Monitoring all risks related to procurement and ensuring that appropriate controls are implemented to mitigate the risks;

2.   **Corporate Communication:** The core functions of the department include:

i.   Execution of the media relations plans which are in line with the KenTrade's strategic interests;

ii.   Identifying and implementing common themes to communicate KenTrade's agenda;

iii.   Preparation of KenTrade's documentaries and publications such as newsletters, calendars and articles in journals;

iv.   Management of the relationship with media houses;

v.   Development of materials for current social media networking platforms; and

vi.   Coordination of press releases and KenTrade image building activities.

3.   **Strategy and Planning:** The core functions of the department include:

i.   Coordinate the implementation of departmental work plans and budgets;

ii.   Preparation, coordination and monitoring of the Agency's strategic plan implementation;

iii.   Coordination with relevant organizations on issues of strategy and planning;

iv.   Preparation and coordination of issues relating to the performance contract within the Agency;

v.   Overseeing effective periodic Monitoring, Evaluation and Reporting of the Agency's activities as outlined in the Strategic Plan, Annual Work Plan and Performance Contract;

vi.   Manage the identification, design and implementation of Research and Development initiatives in support of the Agency's mandate and Business Strategy.

vii.   Coordinate the implementation of the Quality Management System

viii.   Preparation of periodic and ad hoc reports for decision making; and

ix.   Identification of key corporate issues and partnerships for policy advocacy and planning.

4. Legal Services: The core functions of the department include:

i.   Advising and ensuring compliance with legal and regulatory requirements;

ii.   Providing counsel on legal and legislative issues impacting on KenTrade and trade facilitation;

iii.   Taking custody of and ensuring safe keeping of legal documentation;

iv.   Ensuring provision of professional, timely and objective legal services to KenTrade;

v.   Drafting of legal documents, leases and contracts;

vi.   Undertaking research on various legal aspects and processes related to the mandate of KenTrade; and

vii.   Ensuring appropriate representation of KenTrade in all legal matters.

viii.   Carryout Corporation Secretarial functions.

5. Risk and Internal Audit: The department will report administratively to the CEO and functionally to the Board through the Audit Committee. The core functions of the department include:

i.   Ensuring that the Agency's risk management, internal controls, and governance processes are adequate and functioning;

ii.   Carrying out timely and continuous audits, verifying and monitoring of financial transactions of KenTrade;

iii.   Checking and reporting on organizational systems in place;

iv.   Developing and implementing a risk management framework;

v.   Vouching and monitoring expenditure;

vi.   Carrying out investigations where necessary;

vii.   Ensuring accuracy of internal management reports; and

viii.   Ensuring compliance with relevant legislative or regulatory issues.

The institutional structure is depicted in the organogram presented in section 6.4.
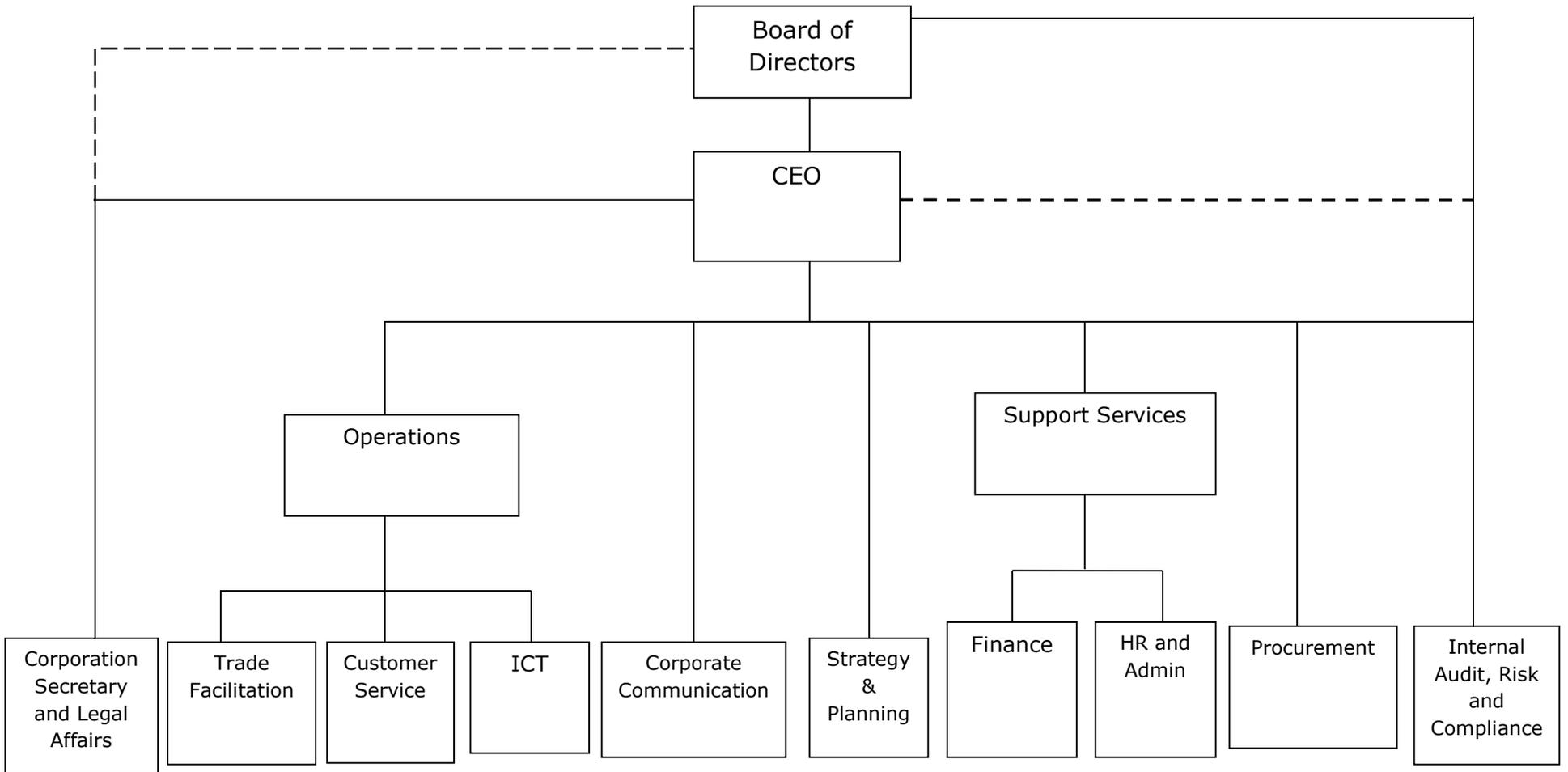
6.4 KENTRADE ORGANOGRAM

Figure 2: Organogram

CHAPTER SEVEN

MONITORING, EVALUATION AND REPORTING

7.1   OBJECTIVES OF MONITORING, EVALUATION AND REPORTING

To successfully implement this strategic plan, a monitoring, evaluation and reporting (ME&R) framework has been developed. The ME&R framework will enable the KenTrade to measure performance against set standards and evaluate the achievement of the set objectives.

The ME&R framework will involve preparation of annual work plans by departments. The work plans will be linked to the objectives, strategies and activities as contained in the implementation matrix. In addition, divisional/departmental work plans will be cascaded to individual work plans which will be linked to KenTrade's Performance Management System.

7.2   MONITORING, EVALUATION AND REPORTING FRAMEWORK

The following ME&R framework will be put in place by KenTrade in order to enhance successful implementation of the strategic plan:

a) A management M&E committee to be established comprising of the Agency CEO, Heads of Divisions and Departments to oversee the implementation of the strategic plan.

b) The M&E committee will hold monthly meetings to review the status of the strategic plan implementation as it relates to their respective divisions and departments. Monthly departmental progress reports shall be submitted and discussed during the meetings. In addition, areas requiring strategy change shall be identified and appropriate action taken.

c) The M&E team will be reporting on a quarterly basis to the Board on the progress made towards the attainment of the objectives.

d) The strategic plan will be reviewed annually so as to ensure that necessary changes in the objectives, strategy, activities etc (informed by new information regarding the Agency or the environment) are effected.

Note:

The key performance indicators shown in section 7.4 will provide guidance on more objective review of the progress of the strategic plan implementation.

7.3 ACCOUNTABILITY AND RISK

7.3.1 Accountability

The key to successful implementation of a Plan is the efficient mobilization and timely deployment of resources as well as effective monitoring, evaluation and reporting of the entire process. To enhance implementation, the Agency shall:

i.   Effectively communicate the plan to all staff and other stakeholders to ensure clarity of vision and purpose;

ii. Assign and communicate roles and responsibilities to the various implementing actors;

iii. Mobilize and allocate resources as per prioritized activities identified in the Plan;

iv. Develop and communicate annual work plans for divisions, departments and individuals in line with the Strategic Plan;

v.   Ensure annual work plans are tied to budgetary provisions; and

vi. Build staff capacity to implement the strategy as necessary.

7.3.2 Risk Analysis

Implementation of this Plan is prone to various risks among them, operational, financial, strategic and technological. The specific risks under each of these categories are outlined below:

7.3.2.1 Strategic Risks

i.   Some of the proposed programs/activities may be opposed by some stakeholders.

ii. Weak monitoring, evaluation and reporting framework may interfere with implementation of the Plan.

iii. Political and economic instability may interfere with implementation of the Plan.

7.3.2.2 Operational Risks

i.   Loss of skilled manpower may interfere with implementation of the plan.

ii. Lack of support from key stakeholders.

iii. Inability to synchronize disbursement with work plans and procurement plans.

iv. External and sometimes internal customers not understanding the operational procedures may hinder successful implementation.

7.3.2.3 Financial Risks

i. Inadequate funding may affect the implementation of the Agency's programs.

ii. Misappropriation of funds.

iii. Lack of support by development partners.

7.3.2.4 Technological Risks

i. Failure to equip the Agency with the relevant ICT equipment and systems.

ii. Inability to manage information security.

iii. The Agency not keeping pace with the rapid ICT changes.

iv. Resistance to adopt new technological changes by members of staff and stakeholders.

7.3.3   Mitigation, Monitoring and Reporting of Risks

To mitigate the effects of the above risks on this Plan, the Agency will implement the following measures:

   i. Strategic- Effective implementation of programs and sharing of successes and challenges.

  ii. Financial- Project-based allocation and prudent management of funds.

 iii. Operational-Put in place strategies to attract and retain qualified staff and outsource non-core activities.

 iv. Technological-keep abreast with changes in technology, undertake regular training of staff on ICT and upgrading of equipment in accordance with ICT trends.

  v. Enhancing ME&R for early detection and management of any risk.

7.4   PROJECTED KEY PERFORMANCE INDICATORS

Table 3 shows the projected key performance indicators.

Table 3: Key Performance indicators

Indicator	2014/15 Baseline	2015/16	2016/17	2017/18 Target	2018/19	2019/20
Kenya TradeNet System uptime.	99.982%	99.982%	99.982%	99.982%	99.982%	99.982%
Cargo clearance time for Imports at Mombasa	4.5 days	4.5 days	4 days	3.5 days	3 days	2.5 days
Cargo clearance time at airports	2.5 days	2.5 days	2 days	1.5 days	1 day	1 day
Cargo clearance time at border points	1.5 days	1.5 days	1.5 days	1 day	1 day	0.5 day
Cargo clearance time for Exports	4.5 days	4.5 days	4 days	3 days	2 days	1 day
% reduction in cost of doing business across borders		2%	2%	2%	2%	2%
Customer Satisfaction Index	74%	77%	80%	83%	86%	89%
Employee satisfaction	58%	60%	64%	67%	70%	73%
Implementation of the Customer Service Charter		50%	80%	90%	100%	100%
Stakeholder awareness at the Port community		70%	100%	100%	100%	100%
Utilization of the CRM System		50%	100%	100%	100%	100%
Proportion of budgetary resources internally generated.	0%	0%	5%	10%	15%	20%
Employee capacity and performance	30%	30%	40%	50%	60%	70%

APPENDIX: TEMPLATE FOR STRATEGY IMPLEMENTATION PROGRESS REVIEW

Perspective	Objective	Strategy	Key performance indicators	Target				
				2015/16	2016/17	2017/18	2018/19	2019/20
Financial	To raise internally generated funds to finance at least 20% of the Agency's operating budget by year 2020	Introduce new products and services.	Products/Services					
		Develop and implement a business pricing model.	Proportion of budgetary resources internally generated.	0%	5%	10%	15%	20%
		Enhance visibility and corporate image	Sensitizations campaigns					
Customer	To increase quality and timeliness of service delivery to stakeholders by 3% annually from the current baseline of 74%.	Enhance customer satisfaction	Customer Satisfaction Index	74%	77%	80%	83%	84%
			Number of days taken to resolve customer issues	7 days	7 days	7 days	7 days	7 days
		Benchmarking with the industry for best practices.	Organizations visited					
		Enhance CS&CC staff capacity	Implementation of the Customer Service Charter	50%	80%	90%	100%	100%
		Enhance communication to stakeholders	Stakeholder awareness at the Port community.	70%	100%	100%	100%	100%

Pers pecti ve	Objective	Strategy	Key performance indicators	Target				
				2015/16	2016/17	2017/18	2018/19	2019/20
Customer	To maintain at least 99.982% availability of the Kenya TradeNet System.	Set up the Kenya TradeNet System Secondary hosting site.	Kenya TradeNet System uptime	99.98%	99.98%	99.98%	99.98%	99.98%
		Set up the Kenya TradeNet System Disaster Recovery hosting site.	Operational disaster recovery site	Approved specificati ons	Contract in place	DR site in place	DR site in place	DR site in place
		Develop and implement the second generation Kenya TradeNet System.	Second generation Kenya TradeNet system implementation.		Approved concept document	Approved system specificati ons	Second Generatio n system in place	Second Generatio n system in place
		Replace the Kenya TradeNet Primary hosting Infrastructure.	Kenya TradeNet Primary hosting Infrastructure replaced.				Replacem ent system in place	Replacem ent system in place
		Replace the Kenya TradeNet Secondary hosting Infrastructure.	Kenya TradeNet Secondary hosting Infrastructure replaced.					Replacem ent system in place
	To facilitate reduction of cargo clearance time from 4.5 to one day by 2020 and reduction of cost of doing business across borders by at least 10% by 2020	Full operationalization of the Kenya TradeNet System.	Cargo clearance time for Imports at Mombasa	4.5 days	4 days	3.5 days	3 days	2.5 days
		Integrate the Kenya TradeNet System with stakeholder systems.	Cargo clearance time for Exports	4.5 days	4 days	3 days	2 days	1 day
		Implement a paperless environment.	% Reduction in cost of doing business across borders	2%	2%	2%	2%	2%

Pers pecti ve	Objective	Strategy	Key performance indicators	Target				
				2015/16	2016/17	2017/18	2018/19	2019/20
		Implement the e-Trade Portal.	Number of users of the portal		Approved concept document s	No. of business processes mapped	No. of business processes mapped	No. of business processes mapped
Internal processes	To increase operational efficiency in service delivery by 2020	Improve business processes	Full utilization of the CRM System	50%	100%	100%	100%	100%
		Enhance use of ICT based solutions	Appropriate policies and procedures implemented	100% implemen tation	100% implemen tation	100% implemen tation	100% implemen tation	100% implemen tation
		Strengthen risk management and internal controls	Compliance to standards	100%	100%	100%	100%	100%
		Expenditure control	Budgets overruns	None	None	None	None	None
		Research and development	Research reports					
	To have appropriate legal and Corporate Governance frameworks in place by 2020.	Facilitate the enactment of the Act and national payment gateway regulation	Act of parliament in place	Draft bill	Draft NPG regulatio n in place			
		Facilitate harmonization of conflicting legislations	Relevant Acts Revised		Conflictin g legislatio n harmoniz ed			
		Compliance with good corporate governance	Compliance with good corporate	100%	100%	100%	100%	100%

Pers pecti ve	Objective	Strategy	Key performance indicators	Target				
				2015/16	2016/17	2017/18	2018/19	2019/20
		and Mwongozo guidelines	governance practices					
Learning and growth	To ensure optimum productivity and enhanced service delivery by continuously developing the human capital of the Agency	Institutionalize the performance management framework.	Employee performance rating		PMS in place			
		Implement effective HR policies	Employee satisfaction		Gap analysis report	Revised HR policies		
		Ensure optimal staff complement by reviewing the organizational structure.	Effective organization structure			Staff gaps analysis	Reviewed structure d in place	
		Strengthen staff capacity	Employee competence/skills		TNA report & staff training	Staff training	TNA report & staff training	Staff training
		Enhance employee Motivation	Employee satisfaction	58%	64%	67%	70%	73%