



REPUBLIC OF KENYA

**MINISTRY OF TRANSPORT, INFRASTRUCTURE,
HOUSING, URBAN DEVELOPMENT AND PUBLIC WORKS**



STRATEGIC PLAN 2018-2022

FOR

THE STATE DEPARTMENT FOR SHIPPING AND MARITIME

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FOREWORD

The Government of Kenya has identified the Blue Economy as a key pillar in rolling out the Big Four Plan. This is in recognition of the fact that more than 90% of Kenya's international trade is by sea. A key component of this effort will include the provision of efficient maritime transport and logistics services that depends on the availability of well trained personnel.

It is the Government of Kenya's policy to develop Kenyan seafarers (officers and ratings) who are well trained, highly skilled, competent, well-disciplined, and cost competitive. With proper training Kenya can become a major supplier of a quality and affordable workforce to the global shipping industry in line with job creation goals under the Big Four Plan, with the potential for training 10,000 seafarers and placing them on foreign sea going ships.

As a Party to UNCLOS and also as a signatory to the Sustainable Development Goals (SDGs) of 2015, Kenya has reserved her sovereign rights to explore, exploit, conserve, and manage the natural resources within the areas of her Exclusive Economic Zone and Continental Shelf.

In addition to this, is the achievements made as a country to enforce the localization of Marine Cargo Insurance in accordance with Section 20 of The Insurance Act, 1984 and became operational in 1987. The positive contribution to the Gross Domestic Product (GDP) growth through increased marine cargo insurance premiums is reflected on the marine business increased by 13.3% from the premiums reported in March 2017 against an increase of the total monthly Gross Direct Premiums Income (GDPI) during the same period in 2016. However, cumulatively, the marine insurance business increased by 19.4% during the first three months of 2017.

The maritime sub-sector has continued to play a significant role in the social and economic development of Kenya including the facilitation of over 95 per cent of Kenya's international sea borne trade. The sub sector comprises Kenya's territorial waters, inland waters and all maritime related activities including marine based resources.

This is the first Strategic Plan 2018 – 2022 for the State Department for Shipping and Maritime. It has been prepared at an opportune time coinciding with the Third Medium Term Plan (MTP3) 2018-2022 of the Vision 2030. Programmes and projects in this Plan have been aligned to the MTP3.

The Plan aims at building a shared vision and sense of purpose, through identification of strategies and providing leadership and direction. The Mission statement of the Department is "To promote and develop the maritime and shipping industry in Kenya through policy formulation and implementation, coordination and fostering regional and global cooperation". In order to realize this mission and achieve its mandate, the Strategic Plan has identified five (5) thematic areas. These include: Maritime Commercial Services; Maritime Administration; Inland Waters Development; Marine Casualty Investigations; and Institutional Strengthening.

The preparation process of this strategic plan was participatory, involving key stakeholders for ownership, sustainability and successful implementation. It drew heavily from Kenya Vision 2030, and Medium Term Plan III (2018-2022). In addition various national and international policies and guidelines have informed the preparation of this Plan.

To accelerate the country's economic growth as envisioned by the Government, the Strategic Plan has incorporated the "Big Four" Agenda where the maritime sub-sector as a key enabler will

greatly contribute towards industrialization, manufacturing and agro processing by mapping and identifying areas for maritime industrial parks (including fish processing plants), seaweed farming, cruise tourism, container building and repair, ship/boat building and repair, bio-prospecting, offshore mining, marine bio-technology, ship handling, port agency, port related services, water sports, among others.

Finally, it is my strong conviction that the successful implementation of this Strategic Plan will improve youth employment, the country's competitiveness in international trade, income generation, skills development and contribute greatly towards the realization of the Kenya Vision 2030.

James Wainaina Macharia, EGH
Cabinet Secretary

ACKNOWLEDGEMENT

Ocean based or Blue Economy refers to the use of the sea and its resources for sustainable economic development. It covers both aquatic and marine spaces including oceans, seas, coasts, lakes, rivers, and underground water. It encompasses a range of productive sectors, including fisheries, aquaculture, tourism, transport, shipbuilding, energy, bio prospecting and underwater mining and related activities. Kenya is endowed with rich coastal and maritime resources which has a huge potential for development of the Blue Economy. Out of this realization and in recognition of the latent potential in the Blue Economy, the Government recognized the Blue Economy Sector under the Economic Pillar in the Third Medium Term Plan (MTP3) of the Vision 2030. This Strategic Plan will therefore inform and guide the State Department for Shipping and Maritime in achieving its mandate.

It is in respect of the foregoing that I wish to acknowledge the invaluable effort and commitment that has gone into the development of this Strategic Plan. I therefore wish to take this early opportunity to express my personal and institutional gratitude to all stakeholders for their participation and commitment.

I wish to particularly recognize and acknowledge the core team members from the State Department led by the Administration Secretary, Mr. James Ole Serian. Special recognition goes to the technical advisor, Mr. Abdallah Hatimy for his invaluable technical expertise. Special thanks to the Deputy Chief Economist, Mr. Daniel Mwaura for coordinating the entire exercise.

I would like to acknowledge Heads of Departments who immensely contributed in the preparation and finalization of this Strategic Plan who included: Mr. Francis Muraya- Deputy Director, Human Resource Management and Development; - Mr. Joash Akuma- Chief Finance officer; Mr. Collins Ominde – Ag. Head Accounting Unit; Mr. Abraham Mutuku- Supply Chain Management; and Mr. Julius Ndegwa- Public Relations Officer.

Finally, for all those unmentioned individuals, who directly or indirectly made preparation of this Strategic Plan successful, I say thank you. It is my sincere desire, hope and conviction that through commitment by all, teamwork and result-oriented mind-set will be actualize the implementation period and beyond.

Nancy Karigithu, CBS
Principal Secretary
State Department for Shipping and Maritime

ACRONYMS AND ABBREVIATIONS

AIMS	African Integrated Maritime Strategy
AKI	Association of Kenyan Insurers
AU	African Union
BIC	Budget Implementation Committee
CPP&MU	Central, Planning, Projects & Monitoring Unit
CSR	Corporate Social Responsibility
EAC	East Africa Community
EEZ	Exclusive Economic Zone
EPAs	Economic Partnership Agreements
FAO	Food and Agriculture Organization
GATTS	General Agreement on Trade Tariffs
GDP	Gross Domestic Product
GDPI	Gross Direct Premiums Income
ICMS	Integrated Customs Management System
ICT	Information Communication and Technology
IEC	Information Education & Campaign
ILO	International Labour Organization
IMO	International Maritime Organization
IOMOU	International Organization Maritime Union
IORA	Indian Ocean Rim Association
ISCOS	Intergovernmental Standing Committee on Seas
ISO	International Standards Organization
JKUAT	Jomo Kenyatta University of Agriculture and Technology
KNSL	Kenya National Shipping Line
KSAA	Kenya Ships Agents Association
LVBC	Lake Victoria Basin Commission
M&E	Monitoring and Evaluation
MCI	Marine Cargo Insurance
M.o.U	Memorandum of Understanding
MTCC	Marine Technology Cooperation Centre
MTEF	Medium Term Expenditure Framework
MTP	Medium Term Plan
NIMES	National Integrated Monitoring and Evaluation System
PAS	Performance Appraisal System
PBB	Programme Based Budget
PC	Performance Contract
PESTEL	Political, Economic, Social, Technological, Environmental and Legal
PRR	Performance Review Report
SCA	Suez Canal Authority
SDGs	Sustainable Development Goals
SDMSA	State Department for Shipping and Maritime
SGR	Standard Gauge Railway
SWOT	Strength Weaknesses Opportunities and Threats
TNA	Training Needs Assessment
TTCA-NC	Transit and Transport Coordination Authority (Northern Corridor)

TUM	Technical University of Mombasa
UNCLOS	United Nations Convention on the Law of the Sea
UNDP	United Nations Development Programme
UNEP	United Nations Environmental Programme
WTO	World Trade Organization
WOMESA	Women in Maritime in Eastern & Southern Africa

EXECUTIVE SUMMARY

The State Department for Shipping and Maritime is mandated to promote the maritime and shipping industry in Kenya. In order to continuously focus in its defined areas of operations, the State Department works within the government operational frameworks while at the same time interfacing with the numerous key role-players that are responsible for different aspects of operations, management, and policy formulation.

This strategic plan for the Department focuses on providing a roadmap towards the delivery of quality services to stakeholders. It covers the period 2017/18 – 2021/22 and was prepared through a participatory approach that ensured consultations and involvement of both internal and external stakeholders at all stages. It has set out its vision or preferred future, mission, core values, goals and strategic objectives as well as strategies and targets.

The plan has five chapters that include an Introduction; Situational Analysis, the Strategic Model, Plan Implementation Framework and a final chapter on Monitoring and Evaluation. It also contains the strategic implementation matrix, attached as an annex.

In this Strategic Plan, there are five (5) focus areas namely: **Maritime Commercial Services** whose objectives are to increase job opportunities for Kenyan youth, to improve operational efficiency, to reduce cost of doing business with Kenya, and to increase youth and women participation in maritime affairs through cluster enterprises development; **Maritime Administration** meant to develop a central data management and information system for the industry, to increase the human resource capacity in the sector, to create an enabling environment for development of the blue economy, projects and activities and to comply with Kenya's international obligations and commitment touching the sector; **Inland Waters Development** whose objective is to create efficiency of inland water transport; **Marine Casualty Investigations** meant to mitigate marine pollution and marine disasters and demonstrate preparedness and **Institutional Strengthening** whose key objectives are to promote visibility of the Department, to provide working environment, to entrench performance management, to link policy, planning and budgeting and to promote staff development.

Implementation

To implement the plan, the Department will require approximately **Kshs. 61.5** during the plan period.

Monitoring, Evaluation and Reporting

Successful implementation of this strategic plan will depend on how effectively the planned outputs and outcomes are monitored and evaluated. In that regard, a monitoring and evaluation mechanism will be strengthened to clearly link the strategic objectives, outputs and outcomes.

The Department will undertake periodic reviews, mid-term and end-term reviews of the Strategic Plan in line with the broader Government development and management framework.

CHAPTER ONE
INTRODUCTION AND CONTEXT

1.1 Background Information

Kenya is at a strategic location as the gateway to the eastern and central Africa region. Despite this, the potential of the Blue Economy sector in Kenya remains the least understood pillar in the economy and thus the least exploited. Shipping and Maritime is a key subsector of the Blue Economy Sector, with a wide range of economic investment opportunities including but not limited to tourism, ship building and repair, education and training, marine cargo handling, maritime law, safety and security, marine salvage, international shipping, transport, energy, bio-prospecting, offshore mining, marine bio-technology, blue data, cargo consolidation, freight forwarding, marine insurance, bunker supplies, ship-chandling, port agency, port services, sports fishing, and marine governance.

Drawing upon this, it is evident that Shipping and Maritime is an important sub-sector with great potential for significant contribution to the social, cultural and economic development of the country. Development of the entire Blue Economy Sector coupled with skills upgrading for the youth can create job opportunities for the large number of educated but unemployed youth. Further, the sector has the potential to contribute to the achievement of the ‘Big Four Initiative’ especially food security and nutrition. Also, the sub sector directly and indirectly contributes to the achievement of the ‘Big Four’ though improving country’s competitiveness in the logistics and value chain. In addition, the sub sector plays an important role in revenue generation, foreign exchange earnings and employment creation. The development of the sub sector therefore, requires a secure maritime domain, adequate human capacity and the necessary infrastructure.

1.2 State Department for Shipping and Maritime

The Economic Commission for Africa Sub- Regional Office for Eastern Africa 19th Session of the Intergovernmental Committee of Experts meeting held on 2nd -5th March, 2015, in Antananarivo, Madagascar on “Harnessing the Blue Economy for the development of Eastern Africa”, the meeting urged States in Africa to mainstream the Blue Economy into their national and regional development plans, where applicable. In the meeting, States were encouraged to establish the necessary institutions and build the relevant capacities to better harness the potential in the Blue Economy Sector.

In view of the above, His Excellency, The President through Executive Order No. 1/2016 on “*Organization of the Government of the Republic of Kenya*” established a fully-fledged State Department for Shipping and Maritime within the Ministry of Transport, Infrastructure, Housing and Urban Development.

Through executive order No.1 of 2018 (revised), the Department was renamed - Shipping and Maritime in the Ministry Of Transport, Infrastructure, Housing, Urban Development and Public Works. The Department was conferred an additional function –Monitoring and advising on usage of Kenya’s Exclusive Economic Zone in collaboration with other actors. Kenya National Shipping Line was moved to State Department for Transport while Kenya Maritime Authority was moved to State Department for Shipping and Maritime.

Mandates

The State Department has the following mandate;

- i. Promotion of Maritime and Shipping Industry,
- ii. Ship Registration in Kenya,
- iii. Marine Cargo Insurance,
- iv. Establishment of effective and Admiralty Jurisdiction,

- v. Development of a Central Data and Information centre,
- vi. Human Resource Development, Management and Research in support of Kenya's Shipping Industry,
- vii. Monitoring and advising on usage of Kenya's Exclusive Economic Zone in collaboration with other actors.

Institutions under the State Department

- i. Kenya Maritime Authority (State Corporations Act, Cap.446, Kenya Maritime Authority Order, 2004)
- ii. Bandari College

1.2.1 Functions

The Functions of the State Department include;

- i. Formulation of shipping and maritime policies and legislation so as to ensure: Safety of life and ships at sea and at inland waters;
 - a. Prevention of marine pollution;
 - b. Promotion of Ship and Port Facility Security;
 - c. Facilitation of international maritime traffic;
 - d. Suppression of unlawful acts like piracy against ports serving international traffic;
 - e. To empower local ports and ship related operators to adequately participate in commercial shipping;
 - f. Regulation of commercial shipping sector having regard to standards, quality, cost and distribution of services;
 - g. Promotion of maritime education and training;
 - h. Regulation of coastal and inland water ways;
 - i. Ensure policies are harmonized with International maritime policies and conventions/instruments.
- ii. Coordinate and monitor development projects relating to ports, ferries and others in line with vision 2030 and the 'Big Four Initiatives' on safety, security and environment;
- iii. To study, review and advise on drafting of laws relating to ports and shipping and to ratify maritime conventions;
- iv. To coordinate International, regional, bilateral shipping transport and maritime Agreements (IMO, ISCOS, IORA, IOMOU on port state control) amongst others; and
- v. To co-ordinate inter-ministerial and agency meetings to ensure required relevant policies are developed and harmonized.

1.3 Rationale for the Strategic Plan

The development of this Strategic Plan has been occasioned by a number of factors:

- i. In recognition of emerging developmental interventions including the Sustainable Development Goals (SDGs), especially SDG No.14 and 15; the African Union Agenda 2063; Africa Integrated Maritime Strategy (AIMS) 2050; African Maritime Transport Charter among others;
- ii. Implementation of Kenya Vision 2030 and mainstreaming of the 'Big Four Agenda';

- iii. In compliance with reforms in the public sector that require public agencies to prepare strategic plans at organizational, departmental, sectional and individual levels with the objective of enhancing Public Service Delivery.
- iv. The need to define strategic road map for the next five (5) years ,in order to identify on a priority basis, most of the activities that are core and require budgetary resources. The primary focus of the Department is to deliver results for its stakeholders. This plan takes into consideration national, regional and global issues which require new approaches.

1.4 Strategic Plan Development Process

The first Strategic Plan of the State Department was developed through a participatory and all inclusive consultative process in line with Article 10 of Constitution of Kenya 2010. The process involved a series of consultative meetings with key stakeholders to incorporate their ideas in the plan. It also involved carrying out desk review of literature, including previous strategic plans, strategic plans of a number of institutions/agencies, policy documents, International Conventions, Kenya Vision 2030, Sustainable Development Goals, Agenda 2063 and the Constitution of Kenya 2010 and the 2050 African Integrated Maritime Strategy (AIMS).

1.5 Policy Environment

1. **Constitution of Kenya 2010:** The Constitution is the supreme law of Kenya. It establishes the structure of the Kenya Government and also defines the relationship between the government and the citizens. Chapter Four on the Bill of Rights is regarded as one of the most progressive provisions of the Kenya constitution. In addition, article 232 (d) provides for public participation in the process of policy making.

The Fourth Schedule of the Constitution stipulates the distribution of functions between the National Government and the County Governments. Apart from policy and oversight in most of the functions, the National Government is vested with the responsibility of capacity building and technical assistance to the counties.

2. **Kenya Vision 2030 and the ‘Big Four initiatives’:** Kenya’s long-term development agenda is currently guided by the Kenya Vision 2030. The Vision aims at transforming Kenya into a newly industrialized, middle income country, providing a high quality of life to all citizens in a clean and secure environment. The Kenya Vision 2030 is anchored on three Pillars, namely, Economic, Social and Political. The three Pillars are supported by the Foundations (enablers).

The Vision is being implemented through a series of successive five-year medium term plans. The Third Medium Term Plan has been prepared. The Department’s function of promoting The Maritime and Shipping industry in Kenya is a key ingredient of the Economic Pillar of the Kenya Vision 2030. The third MTP has recognized the Blue Economy as a key sector in the Economic Pillar of the Kenya Vision 2030. In addition the Department, being an enabler to the Big Four Initiatives’, has mainstreamed its programmes and projects towards the same.

3. **International Obligations:** Kenya is a member state of International Maritime Organization (IMO), International Labour Organisation (ILO) and other relevant International Organisations under the United Nations umbrella, and is required to meet its international obligations.

Aware of the ocean's immense importance and its potential in terms of economic growth and employment, Kenya played an important role in the establishment of a legal order of the seas and oceans; the United Nations Convention on the Law of the Sea, (UNCLOS) of 1982.

Kenya as a party to the IOMOU on port state control is obliged to ensure compliance with various IMO safety of life and safe manning regulations (SOLAS), protection of the marine environment (MARPOL) and load line regulations among others.

4. **Regional/international strategies;** At the continental level, the 2050 African Integrated Maritime Strategy (AIMS) provides a broad framework for the protection and sustainable exploitation of African maritime domain for wealth creation. The Policy Framework and Reform Strategy for Fisheries and Aquaculture in African of 2014 also provide a comprehensive framework for governance and exploration of Africa's fisheries and aquaculture resources in Africa. Additionally, the Africa's Blue Economy: A Policy Hand Book, 2016 provides a guideline for sustainable blue economy development for African Union (AU) Member States.

1.6 Organization of the Strategic Plan

This Strategic Plan is organized in five chapters. The **first chapter** provides an overview of the State Department. It also gives a rationale for the preparation of the strategic plan and linkages with the Constitution of Kenya 2010, Kenya Vision 2030 & The "Big Four Initiatives", International obligations and International /Regional Strategies.

The **second chapter** highlights the situation analysis - SWOT, PESTEL and Stakeholder Analysis. It also gives a summary review of the previous period and the milestones realized since then.

In the **third chapter**, the Department's strategic model is presented which includes its Vision, Mission, Core Values and strategic objectives. The chapter also highlights the implementation of the strategic plan, identifying and analyzing the potential risks and the strategies that will be employed to mitigate the risks.

The **fourth chapter** is the implementation framework while the **fifth and last chapter** provides a monitoring and evaluation framework as well as the reporting mechanisms. There is also an annex that contains the implementation matrix.

CHAPTER TWO
SITUATIONAL ANALYSIS

This chapter provides information on the situation analysis. It provides the current position in relation to delivery of its mandate and includes a review of its key achievements in the previous years of operations. It also presents a stakeholder analysis, an Institutional SWOT analysis that explains the Strengths, Weaknesses, Opportunities and Threats. It further provides a PESTEL analysis (Political, Social, Technological, Economic, and Political-Legal/Environment) that scan the environment under which this plan will be implemented.

2.1 Review of Achievements

The performance of the State Department in the recent past has been consistent and focused. This has been demonstrated in the performance 2016.

2.1.1 Key Achievements

1. Operationalization of the marine cargo insurance increasing insurance uptake locally from Kshs. 1.3 billion in January – June 2017 period to Kshs.2.7 billion in 2017/18 financial year.
2. Held 8 sensitization forums, 4 for insurance firms, 3 for the public and one (1) for media;
3. Actively participated in the development of Integrated Customs Management System (ICMS), rooting out manual process of the cargo insurance;
4. Initiated the revival of Kenya National Shipping Line;
5. Determined optimal staffing levels for the Department;
6. Through lobbying, the Blue Economy recognized as a key sector in MTP III and sector report prepared and submitted;
7. Collaborated with both regional and international organizations such as ISCOS, IMO, LVBC, UNDP, UNEP (Nairobi Convention Secretariat), IOMOU, IORA, etc. to meet country obligations and marketing the State Department; and
8. Initiated in collaboration with JKUAT the establishment of Marine Technology Cooperation Centre (MTCC) for Africa region.

2.1.2 Lessons Learnt

From the analysis based on the performance within the previous one year, it is indicative that the Department has the potentials for higher performance. Nevertheless it is still essential to internalize the lessons learnt from the past performance, some of which are:

1. Collaboration with other state and non-state actors is critical for the department to realize its mandate;
2. There is need to source for funding including from development partners for implementation and sustainability of its programmes and projects;
3. Shipping and Maritime is a key sub-sector in spurring economic growth and should be fully supported to realize the achievement of the Big Four Initiatives;
4. There is low awareness of the potential of shipping and maritime sub-sector by key stakeholders. There is need for increased awareness creation initiatives, targeting all stakeholders;
5. Adoption of information technology improves efficiency in service delivery;
6. There are inadequate technical skills in shipping and maritime. This calls for concerted efforts towards establishing relevant courses in maritime industry; and

7. Adequate human resource capacity is a prerequisite for the realization of the department's mandate. To bridge the gap, in the medium term, the department needs to recruit relevant technical officers.

2.2 Key Challenges

The key focus of Department strategic plan is to promote shipping and maritime industry to spur economic growth and development. To attain this, the Department undertook a comprehensive engagement with the numerous stakeholders and analyzed the operating environment in relation to Kenya's competitiveness. Some of the debilitating constraints in the sub-sector include:

- i. Weak legal framework;
- ii. Low level of domestic investment in maritime transportation (coastal and inland water transportation);
- iii. Inadequate human resource capacity in shipping and maritime; and
- iv. Lack of maritime data base.

Weak Legal Framework: Sustainable development of shipping and maritime is greatly determined by how well the enabling legal, institutional, governance and policy frameworks support the synergy that arise from coherent and coordinated efforts of the various sub-sectors. Lack of policy integration and uncoordinated development has led to slow growth of the sub-sector, weak enforcement of laws, legislative gaps, duplication, overlaps and high cost of doing business.

Low level of domestic investment in maritime transportation (coastal and inland water transportation): This is as a result of low level of awareness on opportunities available in the shipping and maritime industry; Inadequate incentives to promote investment in the maritime sub-sector and lack of access to affordable credit facilities.

Inadequate human resource capacity in shipping and maritime: Insufficient training facilities and equipment deprive students the required practical training and hence students may not attain the competencies required for qualification and certification in maritime and shipping. This is compounded by lack of mandatory shipboard training opportunities due to inadequate training facilities (including vessels) and institutions.

There is inadequate instructors and assessors in the maritime education and training institutions. Also there is lack of capacity to offer special training required for personnel on certain types of ships such as oil tankers, chemical tankers and Liquefied Natural Gas (LNG) carriers, passenger ships, fishing vessels, dynamic positioning ships, mobile offshore drilling units, Anchor handling vessels and Offshore supply vessels may lead to loss of job opportunities in offshore oil and gas exploration activities among others. In the plan period, the Department will undertake a skills audit and capacity assessment for the sector aimed at informing the development of a Maritime Training Center of excellence. The Department will also enhance the capacity of Bandari College, by considering collaboration with other institutions which can leverage on Bandari's accreditation by IMO to offer maritime studies for more Kenyans.

Lack of maritime data base: The knowledge base of Shipping and Maritime in Kenya is fragmented and domiciled in different institutions at various levels of processing and competencies. As a result, the country is losing its resources to those nations that have developed capacity to research and information sharing that enable exploitation of the resources. In the medium term, the Departments will strive to establish a research centre to support studies in topical maritime and shipping issues. Currently the contribution of Shipping and maritime sub-sector to the economy is under estimated. The development and management of central maritime data base will enhance GDP estimation.

2.3 SWOT Analysis

Table 2-1 presents the Strengths, Weaknesses, Opportunities and Threats under which the Department operates.

Table 2-1: SWOT Analysis

Strengths	Weaknesses
<ol style="list-style-type: none"> 1. Approved staff establishment 2. Support from top management. 3. Competent, experienced and dedicated staff. 4. Clear mandate provide under the Executive Order. 	<ol style="list-style-type: none"> 1. Inadequate working space. 2. Inadequate technical staff among others. 3. Inadequate budgetary allocation. 4. Inadequate working equipment and tools 5. Lack of maritime database. 6. Lack of Departmental interactive web presence in the Ministerial website 7. Low visibility
Opportunities	Threats
<ol style="list-style-type: none"> 1. Tourism 2. Long coastline. 3. Existence of inland waters. 4. Existence of training opportunities. 5. Political goodwill. 6. The recognition of shipping and maritime in MTP III blue economy sector under the Economic Pillar 7. Global/regional interdependence and integration 8. Existence of supportive regulatory framework 9. Global demand for maritime education and training. 10. Goodwill from development partners 11. Improved Kenya's competitiveness 12. Increased investment in supportive infrastructure projects (e.g. SGR,LAPSSET corridor) 13. Advancement in ICT adoption in government. 	<ol style="list-style-type: none"> 1. Incoherent and uncoordinated shipping and maritime functions. 2. Global and regional politics. 3. Global economic recession. 4. Piracy and terrorism. 5. Cyber security crime. 6. Technical capacity gap in maritime labour market. 7. Maritime boundary conflicts. 8. Conflict of mandates between National government and counties.

2.4 PESTEL Analysis

In preparing this Strategic Plan, a broad scan of the Political, Economic, Social, Technological, Environmental, Legal (PESTEL) factors was undertaken. The analysis enables the Department to focus on the fundamentals in which it operates and therefore appreciate the factors that will either support or impede the implementation of the strategic plan. The key PESTEL issues and their strategic implications are presented in *Table 2-2*.

Table 2-2: PESTEL Analysis

Factor	Issue	Implication
Political	Constitution of Kenya 2010	Supreme Legal framework
	Political goodwill	The department has received immense good will from the executive. This will impact positively on the mandate.
	Kenya Vision 2030	The recognition of shipping and maritime in the Blue Economy sector of MTP III anchors the mandate of the department in Kenya Vision 2030.
	Public sector	The incoherence in administrative structure pertaining to shipping and

Factor	Issue	Implication
	Reforms	maritime affects the realization of the department's mandate. Realignment of roles and functions within the sector is critical.
	Signatory to international and regional organisations	These organisations provide opportunities for growth.
	Inter-agency synergies	There is opportunity for inter-agency collaboration
Economic	Global and regional trade	Country's competitiveness enhances favourable trade. This increases shipping activities. Kenya's strategic position as the gateway to East and Central Africa enhances the volume of trade. Regional integration is likely to spur sector growth.
	Tourism	The development of coastal shipping, sport, cruise and marine tourism provides opportunities for economic growth.
	Vision 2030 and MTP III	Shipping and maritime provides an opportunity for economic growth under the economic pillar.
	Manufacturing	Ship building and repair is likely to enhance the manufacturing sector contribution to the GDP and at the same time create employment.
Social	Awareness creation	There is increased demand for shipping and maritime services. The Department will leverage on this to improve on its visibility
	Employment Opportunities	There is a growing youth population that is available for employment opportunities in the shipping and maritime sub-sector.
Technological	Advancement in technology	There is increased adoption of ICT in government operations for efficient and effective delivery of services.
	Information safety and security	Cybercrime is likely to impact negatively on the sector if sensitive information gets into wrong hands.
Legal	Legal framework	The existence of legal and policy frameworks (Constitution of Kenya, Vision 2030) support delivery of the department's mandate. However, there exist gaps in policies and legal frameworks such as lack of integrated national maritime policy and an outdated integrated national transport policy.
Environmental	Marine pollution	The establishment of MTCC; existence of International conventions. The risk of marine pollution incidence.
	Work environment	The work environment is not conducive as offices are scattered and staff have no adequate working tools. The department will strive to acquire adequate office space and working tools.

2.5 Stakeholder Analysis

The Department's linkage with its stakeholders is summarized in *Table 2-3*.

Table 2-3: Stakeholder Analysis

Stakeholder	Stakeholder Expectations from SDSMA	SDMSA Expectations from the Stakeholders
Ministry of Mining	Timely release of information on extractives; Effective collaboration.	Labour in sub-marine mining activities to be trained and certified under the requirements of the relevant IMO and ILO conventions
Ministry of Environment	Timely release of information on maritime and shipping; Collaborate with other state agencies to ensure enforcement of conventions for the prevention of marine pollution.	Protection of the marine environment as regulated under various IMO conventions
Ministry of Devolution and the ASALS	Timely release of information on maritime and shipping;	Ensure that County governments incorporate inland and coastal

Stakeholder	Stakeholder Expectations from SDSMA	SDMSA Expectations from the Stakeholders
	<p>Timely reporting.</p> <p>Collaboration with county governments.</p>	<p>maritime and shipping activities in their respective County Integrated Development Plans</p> <p>Collaboration with State Department</p>
The National Treasury and Planning	<p>Preparation of the Department's budget;</p> <p>Timely submission of financial reports;</p> <p>Compliance with public financial regulations and procedures;</p> <p>Prudent financial management.</p> <p>Timely release of information on maritime and shipping;</p> <p>Timely reporting.</p>	<p>Timely release of funds;</p> <p>Advice on financial; management matters</p> <p>Adequate budgetary allocation;</p> <p>Establish Customs-to-Customs network arrangements as well as Customs-to-business partnerships;</p> <p>Establish customs cooperation with other national, regional and international governmental organizations with border control obligations;</p> <p>Advance electronic manifest information; consistent risk management structures;</p> <p>Outbound inspection of high risk cargo at the point of export using non-intrusive detection equipment;</p> <p>Mainstream maritime economy in national development by providing fiscal incentives for growth of the industry.</p>
Ministry of Sports, Arts and Culture	Timely release of information	<p>Development of water (coastal and inland) sports as a component of Blue Economy;</p> <p>Collaborate in establishing a proper maritime history and museum.</p>
Ministry of Education	Timely release of information	Mainstream maritime education and training in the education curriculum
Ministry of Transport, Infrastructure, Housing, Urban Development and Public Works	Timely release of information;	<p>Collaboration on maritime transport issues;</p> <p>Effective collaboration in developing multi-modal transport systems for the country;</p> <p>Timely and reliable data on ports operations;</p> <p>Budgetary support.</p>
Ministry of Agriculture, Livestock, Fisheries & Irrigation	<p>Timely release of information;</p> <p>Facilitate training of maritime labour</p>	<p>Collaboration in building of a Kenyan fishing fleet;</p> <p>Capacity building of the maritime labour component e.g. motorized fishermen</p>
Ministry of Interior and Coordination of National Government	<p>Timely release of information.</p> <p>Securitization of maritime labour.</p> <p>Collaborate with other stakeholders in the Kenya Coast Guard Service</p>	<p>Set up legal and institutional structures for marine surveillance, monitoring and control of the Kenyan waters and the EEZ;</p> <p>Collaboration in maritime security , maritime search and rescue operations;</p> <p>Timely disaster management;</p> <p>Collaborate in maritime domain awareness.</p>

Stakeholder	Stakeholder Expectations from SDSMA	SDMSA Expectations from the Stakeholders
Ministry of Foreign Affairs	Timely release of information; Oversee & Report on the status of implementation of international maritime and shipping related treaties, MoUs and conventions.	Oversee Kenya's ratification of international maritime and shipping related treaties, MoUs and conventions Collaboration in Joint Cooperation, both bilateral and multilateral
Ministry of Public Service, Youth and Gender	Timely release of information; Collaboration with stakeholders	Collaboration in maritime human capacity development particularly targeting Kenyan Youth
Ministry of Health	Timely release of information; Ensure that maritime labour have the necessary medical certification	Ensure that maritime labour is fit based on periodic robust health checks as prescribed in ILO conventions Ensure compliance with IMO/FAL conventions
Ministry of Tourism & Wildlife	Timely release of information; Effective collaboration on pollution and security.	Promotion of coastal, marine, and cruise tourism
Ministry of Energy	Timely release of information	Collaboration in developing human resource capacity that complies with international maritime convention Compliance with maritime conventions on energy
Ministry of Petroleum & Mining	Timely release of information Provide advisory on EEZ matters	Compliance with maritime conventions on offshore oil & gas exploration. Collaboration in developing human resource capacity that complies with international maritime convention
Ministry of EAC & Regional Development	Timely release of information Active participation on EAC matters	Collaboration on negotiation of regional agreements Partner on the infrastructure development of coastal and inland water ways
Ministry of Labour and Social Protection	Timely release of information Active participation with labour matters.	Collaboration on development of labour laws (Seafarers Wage Council), enforcement and bilateral agreements for employment of seafarers;
Ministry of Defense	Collaborate on MET matters Partnership on EEZ monitoring and advisory	Collaboration in maritime security , maritime search and rescue operations among others
Ministry of Industry, Trade & Cooperatives	Timely release of information Forge Partnerships	Collaborate in negotiating sector related EPAs under WTO, GATTs, Trade-in Services; Awareness creation on maritime and shipping business opportunities
Attorney General	Timely release of information; Oversee Compliance and implementation of various maritime laws.	Drafting and domestication of maritime conventions; Advice on legal application of various maritime laws, advice in maritime treaty development
The Judiciary	Oversee Compliance and Implementation with various maritime laws. Partnerships on maritime admiralty	Establish an effective Kenyan Admiralty court; Establish a maritime arbitration centre.

Stakeholder	Stakeholder Expectations from SDSMA	SDMSA Expectations from the Stakeholders
	issues.	
Parliament	Oversee Compliance and implementation of various maritime conventions.	Timely legislation of maritime related laws
County Governments	Collaboration in maritime matters; Advise on maritime related issues;	Mainstreaming maritime related activities in their plans and budgets; Active participation in maritime matters. Compliance with maritime conventions and laws
Academia/ Research Institutions (JKUAT, TUM, Pwani, Bandari College, Local Collages etc)	Provide an enabling environment for the graduates to access opportunities. Forge partnerships e.g. Research matters, human resource capacity development, curriculum development	Continued technical support from World Maritime University; Dissemination of relevant research findings; Compliance with MET Standards
Institute of Chartered Shipbrokers	Recognition of Institute of Chartered Shipbrokers certification; Forge Partnerships	Continued certification of shipping professionals.
Africa Maritime Professional Network	Forge partnerships	Forge Partnerships
Ports Management Association of East and Southern Africa (PMAESA)	Timely payment of subscriptions; Timely release of information; Active membership participation in PMAESA affairs.	Strengthen relations among member ports with a view to foster regional and global integration, port operation efficiency, inter-port competition.
Ports Operators (shipping agents, Ship contractors, Clearing and forwarding agents and Transporters)	Efficient port access system Timely release of information	Professionalism, integrity and adherence to rules and regulations
Kenya Marine and Fisheries Institute, Kenya Maritime Authority, Kenya Fisheries Services, Kenya Ports Authority etc	Timely release of information	Reliable and timely data
Development Partners	Timely release of information Timely implementation of programmes under their financing.	Effective compliance of conventions by IMO; Continued technical and financial support.
Regional Bodies	Timely release of information Active participation as member states; Compliance with the objectives of these bodies.	Meet their objectives; Kenya benefits from the objectives.
Service providers	Timely payment; Create an enabling environment; Compliance with requisite laws and regulations; Fairness and transparency.	Quality goods and service; Integrity.
Oversight Bodies (Ethics and Anti-Corruption Commission, KENAO, etc.)	Prudent management; Adherence to laws and regulations; Timely and quality reporting.	Objective reporting
Maritime Related Associations (AKI, KSAA, WOMESA, SCA, etc.)	Fairness and transparency; Active involvement participation in policy making.	Timely mediation of disputes; Active participation in policy making; Implementation of mentorship programmes.
Financial Institutions	Timely release of information	Continued support; Adhere/comply with relevant laws

Stakeholder	Stakeholder Expectations from SDSMA	SDMSA Expectations from the Stakeholders
Staff	Timely release of information; Adhere/comply with relevant laws and regulations; Promote career development.	and regulations. Adhere/comply with relevant laws and regulations; Quality productivity; High standards of professional ethics.
Citizens	Active involvement participation in policy making; Timely feedback; Quality service.	Timely feedback; Active participation in policy making.

CHAPTER THREE
STRATEGIC MODEL

This chapter spells out the Department’s strategic direction; Vision, Mission as well as the Core Values. It outlines the key strategic issues, strategic objectives and strategies identified for effective execution of its mandate.

3.1 Vision, Mission and Core Values

Vision

“A leader in the promotion of shipping and maritime”

Tagline

“Inspiring shipping and maritime industry in Kenya”

Mission

“To promote and develop Shipping and Maritime Industry in Kenya”

Core Values

The Department will uphold the following core values:

Integrity: The Department will promote uprightness and reliability while executing its mandate.

Efficiency and Effectiveness: The Department will strive to use minimal resources to achieve maximum results in service delivery. The Department will strive to provide timely and accurate information at all times.

Innovativeness: The Department will be open to new ideas, creativity and resourcefulness in service delivery.

Inclusiveness: The Department will strive to ensure comprehensive participation of all stakeholders and will observe the rule of law in all undertaking.

High Standards of Professional Ethics: The Department will support and facilitate teamwork by recognizing both team and individual effort, adhere to best practices, meritocracy, professional ethics and standards.

Equity and Equality: The Department will promote patriotism, impartiality, fairness and equal distribution of resources and services at all levels. The Department will also champion devolution ideals.

Accountability and Transparency: The Department will strive to conduct its business and lend its services to stakeholders in an open and responsible manner. The Department commits to be accountable for administrative acts.

3.2 Strategic Issues

The strategic themes, objectives and the strategies to be pursued will be at the core of the Department’s functions over the next 5 years. The overriding theme for the strategic plan will be to inspire the maritime and shipping industry in Kenya by addressing the challenges that impede sub-sector.

Table 3-1: Strategic Themes, Strategic Objectives and Strategies

S/No.	Thematic Area	Strategic Objective	Strategies
1.	Maritime Commercial Services	To increase job opportunities for Kenyan youth	Seafaring, Ship building & repairs facilities and container repair industry developed
		To reduce cost of doing business with Kenya	Collaboration with MDAs and private institutions. Enforcing compliance to the Act Section 20 of the insurance Act.
		To increase youth and women participation in maritime affairs through cluster enterprises development	Establishment of Seafarer’s Training fund; Women in maritime fund; and Maritime Cluster Fund; Creation of awareness on opportunities and funding available in the maritime industry,
2.	Maritime Administration	To develop a central data management and information system for the industry	Collect, process, disseminate and manage information on shipping and maritime
			Establish and install a central data and information center
		To increase the human resource capacity in the sector	To undertake a skills audit and capacity assessment for the sector
			To develop a Maritime and Shipping Training Center of excellence
			Implement <i>Vijana Baharia</i> Programme
		To create an enabling environment for development of the blue economy	Strengthen linkages with other MDAs, county governments, regional and international organizations
			Stakeholder engagements
			Monitor and evaluate the implementation of shipping programmes and activities
		To improve efficiency in implementation of blue economy programmes, projects and activities	Map and initiate review treaties, MoUs and conventions that relate maritime and shipping.
		To oversee compliance with Kenya’s international convention and commitment related to the sector	Develop a monitoring and evaluation framework
Strategic utilisation of the EEZ for Economic Development	Develop a monitoring tool and monitor the utilization of EEZ resources for development		
3.	Inland Waters Development	To create efficient inland water ways	Collaborate on improvement of maritime infrastructure
			Promote community awareness in maritime opportunities in the inland waters
			Formulation of shipping and

S/No.	Thematic Area	Strategic Objective	Strategies
			maritime policies and necessary legislation so as to ensure maritime safety in the inland waters
4.	Marine Casualty Investigations	To mitigate marine pollution and marine disasters and demonstrate preparedness	Acquisition of necessary equipment and working tools Development and review of policy, law and regulations Development and implementation of CSR programmes
5.	Institutional Strengthening	To promote capability and visibility of the Department	Departmental interactive web presence in the Ministerial website Preparation and dissemination of a Communication strategy Activation of social media platform/e-visibility Implementation of Group emails/official emails Pursuing ISO Certification Preparation and dissemination of IEC materials (Bulletins/magazines/newsletters) and active media engagement Provision of adequate working tools and undertaking of oversight surveys Implementation of PC, PAS, M&E, BIC, etc Preparation of MTEF PBB and PRR Recruitment of technical staff Human Resource capacity development
		To provide working environment	Undertaking TNA, development of interventions programmes and their implementation
		To link policy, planning and budgeting	Mapping partners and preparing funding proposal

CHAPTER FOUR
IMPLEMENTATION OF THE STRATEGIC PLAN

This chapter provides information on the various types of resources required to implement this strategic plan. It includes the Department’s human resource capacity and needs, financial resource requirement, strategies for resource mobilization, the current and proposed organization structure as well as performance and risk management strategy.

4.1 Implementation Structure

The State Department consists of four Departments, namely: Maritime and Commercial Services, Maritime Administration, Inland Waters Development and Marine Casualty Investigations. These are supported by administration

4.1.1 Maritime Commercial Services

Its functions include:

- i. Developing and reviewing of policies on Commercial Maritime and shipping operations;
- ii. Developing appropriate guidelines for determination of charges for provision of Maritime Services;
- iii. Providing policy direction on efficiency of the maritime and shipping services;
- iv. Facilitating and promoting of local participation in sea borne trade;
- v. Promotion of Coastal Shipping;
- vi. Undertaking Studies on maritime economic activities and profile for investors;
- vii. Identifying and establishing linkages and collaboration with appropriate Maritime Association and organizations“, both local and foreign;
- viii. Providing advice to cargo importers, exporters and local insurance providers companies for uptake of local insurance cover;
- ix. Developing strategies for promotion of local ship building and ownership;
- x. Encouraging and promoting a second ship register for foreign ship owners and investors for registration in Kenya;
- xi. Establishing and maintaining a conducive Business Environment capable of attracting and fostering Capital Investments in Maritime and Shipping Sub-Sector;
- xii. Identifying and promoting commercial opportunities for investment in Kenya’s Maritime and Shipping Sector;
- xiii. Undertaking surveys and providing advice on appropriate tax concessions and fiscal regimes necessary to boost development of the Sector;
- xiv. Researching and disseminating findings on best practices that promote maritime trade;
- xv. Establish a maritime cluster development fund;
- xvi. Promote ship-related operations through various policies and legislation to adequately participate in commercial shipping;
- xvii. Creating linkages with other State departments and other partners in the development of the blue economy;
- xviii. Mainstreaming Women participation in the maritime and shipping industry development programmes; and

4.1.2 Maritime Administration

Its functions include:

- i. Providing guidance and policy direction in the development, formulation and adoption of international maritime conventions relating to safety of shipping, security of ships and port facilities, maritime education and prevention of marine pollution from ships;

- ii. Providing advice on admiralty jurisdiction matters;
- iii. Developing and reviewing laws, regulations and other legal instruments related to safety and security for international and national shipping;
- iv. Monitoring and evaluating the implementation of policies relating to maritime and shipping services;
- v. Promoting maritime education and training;
- vi. Promoting and/or undertaking research and development in Shipping and Maritime and the related activities;
- vii. Coordinating human resource development and management in support of Kenya's Shipping Industry;
- viii. Developing a Central Data and Information Centre; and
- ix. Publishing reports and monitor the implementation of the recommendations for improving Safety, security and environment protection at port facilities.

4.1.3 Inland Waters Development

Its functions include:

- i. Promoting growth and development of inland water ways;
- ii. Developing policies for the inland water ways;
- iii. Promoting capacity for ship-building and boat building and maritime related activities;
- iv. Overseeing implementation of the Inland Waters Act and any other related legislation pertaining to inland waters;
- v. Developing a regulatory regime that promotes safety and security in Inland and Waterways;
- vi. Providing standards for vessel operations;
- vii. Providing and facilitating a conducive environment for Maritime business;
- viii. Promoting community awareness on maritime opportunities in our inland waters;
- ix. Creating a regulatory regime to protect Marine Environment;
- x. Monitoring and evaluating the implementation of Inland waters policy and regulatory programmes; and
- xi. Creating linkages with littoral County Governments, State Agencies, departments and other partners in development of the blue economy.

4.1.4 Marine Casualty Investigations

The State Department is responsible for carrying out investigations into marine casualties that take place in Kenyan waters or involve Kenyan registered vessels. One of the main purpose of the Departments investigations is to establish the cause or causes of a marine casualty with a view to making recommendations to the Cabinet Minister responsible for Shipping for the purposes of avoiding similar marine casualties. It is noted that such investigations should not form the basis of an investigation to attribute blame or fault. The legislative framework for the operation of the Casualty Investigations Department, the reporting and investigating of marine casualties as well as the powers of Department's investigators, is set out in the Merchant Shipping Act, 2009 and the Merchant shipping (Casualty Investigations & Reporting) Regulations, 2014. This directorate will also work closely with Kenya Maritime Authority in collaborating with the Kenya Coast Guard Service on enforcement matters.

Marine accident reports will be issued in cases of serious accidents and/or when lessons can be learned. Statistics on accidents at sea will be published on a yearly basis by the Ministry. This knowledge will be used by the shipping and fishing industries as well as the Kenya Maritime Authority in order to guard against accidents. The Department will comprise of six investigators all of whom will have a broad maritime and technical background among others as marine navigators, marine engineers and naval architects.

4.2 Human Resource

Table 4.1 provides staff establishment in the State Department by category.

Table 4-1: Staff Establishment

S/No.	Category	In Post	Authorized Establishment	Vacancy (Gaps)
1.	Policy Makers (S-V)	2	8	6
2.	Senior Managers (P-R)	7	47	40
3.	Technical Staff (K-N)	18	81	61
4.	Support Staff (Middle – G-J)	14	28	9
5.	Support Staff (Lower – A-F)	16	43	27
Total		57	207	143

The Department has 57 staff members against an authorized establishment of 207. This means that it is currently operating at 28.5% of its optimal staffing level. Of the total gaps, 41.2% are technical support staff (JG ‘K-N’). Meanwhile, there are no technical officers for both Maritime and Shipping services. As a short term measure, the Department has enlisted the services of a Technical Advisor on contract terms. In the medium term, the Department will endeavor to recruit technical officers to bridge the gap. In the next five (5) years, the Department will progressively recruit 90 technical staff (maritime and shipping). It is expected that the deficit of 58 support staff will be bridged majorly through rationalization.

4.3 Financial Resources

One of the critical assumptions that SDSM is making for effective implementation of this strategic plan is availability of the required resources. In the last two financial years, the Department has received **Kshs. 529 million** as shown in the *Table 4-2*.

Table 4-2: Financial Resource Requirements in Millions (by Classification)

Financial Year	2016 - 2017	2017 - 2018	2018 - 2019	2019 - 2020	2020 -2021	2021 - 2022
Recurrent	254	275	1,669	1,652	1,666	1,748
Development	0	0	0	18,079	14,128	14,163
Total	254	275	1,668	19,731	15,794	15,911

Table 4-3: Financial Resource Requirements by Strategic Theme (Kshs. millions)

Thematic Area	2017 - 2018	2018 - 2019	2019 - 2020	2020 -2021	2021 - 2022
Maritime Commercial Services	1,231	2,524	2,264	1,599	1,710
Maritime Administration	7,410	10,295	15,085	11,885	11,885
Inland Waters Development	300	800	800	800	800
Marine Casualty Investigations	169	72	72	72	72

Thematic Area	2017 - 2018	2018 - 2019	2019 - 2020	2020 -2021	2021 - 2022
Institutional Strengthening	146.5	504	155	81	18
Total	9,256.5	14,195	18,376	14,437	14,485

In order to implement this strategic plan, the Department will mobilize adequate resources from the Government and development partners, while at the same time ensuring prudent management of available resources. To implement this Strategic Plan over the 5 year period, the Department will require approximately **Kshs. 61.5 billion**. *Table 4-3* shows a breakdown of the recurrent and development resource requirements for the entire period, by thematic area.

4.3.1 Strategies for Resource Mobilization

The Department will continue to engage the relevant Government agencies for increased funding for priority programmes, through the parent Ministry. In the past, the Government through the Exchequer has been financing 100 percent of the Department's total budget.

In order to harness more resources from Government and the Partners, the Department will:

- i. Develop and implement a resource mobilization strategy (Fund raising strategies);
- ii. Seek alternative revenue streams from both commercial (projects) sources and development partners support;
- iii. Lobby for more funding from the exchequer through the parent Ministry; and
- iv. Concentrate its resources on the plan priority areas for efficiency and effectiveness.
- v. Ensure prudent resource management.

In implementing the Strategic Plan the Department shall strictly adhere to the guidelines stipulated in the Government financial regulation, Public Finance Management Act 2012, Public Procurement and Disposal Act (2015) and the Procurement Regulations (2007), development partners' guidelines pertaining to utilization of resources. The State Department shall produce annual work plans, procurement plans and cash flow projections to ensure funds are allocated to planned priority programs and projects. The Department will implement the Government policy on transport in order to enhance efficiency with a view to cutting out wastage in this area.

4.4 Risk Management

Table 4-4 provides a summary of the range and types of risks the Department anticipates during the course of the implementation of this strategic plan and how it intends to mitigate against them.

Table 4-4: Risks and Mitigation Measures

Risk	Category	Mitigation / Control
Inadequate Financial Resources	High	Lobby for additional financial resources,
		Mapping of relevant development partners and preparation of funding proposal
		Explore the possibility of utilizing PPPs framework in implementing key programmes and projects
Incoherence in administrative structure	Medium	Stratification of key stakeholders and continuous lobbying

Risk	Category	Mitigation / Control
		Hold engagement meetings
Non-integrated Institutional Legal framework	High	Restructure the Institutional and Legal framework
Inadequate technical skills in maritime and shipping. Bandari College is the only IMO-recognized training institution that offers marine and nautical studies and other maritime related courses in Kenya, but the number of people it can train at a time is very small (approximately 240 at a time).	High	Identify skills gap
		Enhance the capacity of Bandari college, by considering collaboration with other institutions which can ride on Bandari's accreditation by IMO to offer maritime studies for more Kenyans
		Restructure Bandari College
Conflicts associated with trans-boundary water resources use are likely to arise during implementation of planned programmes and projects leading to sub-optimal results.	Medium	Use of international and regional institutions, protocols, treaties and conventions e.g. South West Indian Ocean Fisheries Commission (SWIOFC), Indian Ocean Tuna Commission (IOTC), Western Indian Ocean Marine Science Association, East African Community (EAC), Lake Victoria Fisheries Organization (LVFO), The United Nations Convention on the Law of the Sea (UNCLOS), The Food and Agriculture Organization (FAO) Code of Conduct for Responsible Fisheries (CCRF)), FAO Voluntary Guidelines for Small Scale Fisheries and development of management plans for trans-boundary water resources to resolve resource use conflicts within the countries.
Unstable shipping line without commercial vessels	High	Acquire and charter vessels and engage in pooled consortium through operational partnership; Develop legal framework to support cabotage regime; Adopt cargo reservation policy with regard to national carrier.
Staff turnover	Medium	Implement rewards and sanctions policy
		Undertake a Training Needs Assessment (TNA), develop training projections and implement
		Continuous training of staff
Slow adoption of ICT	Medium	Create a database
		Establish social media platforms
		Revamp the Departmental web presence
Insecurity	High	Establishment of a multi-agency surveillance unit to control piracy in the Indian Ocean and security threats in inland waters as provided in the Fisheries Management and Development Act, 2016; Enactment and Operationalization of Kenya Coast Guard Services Bill, 2016 will bring an impetus in bringing an enabling environment for maritime investment opportunities
Accidents and collisions at sea and inland	Medium	Enforce safety compliance

Risk	Category	Mitigation / Control
waters		Collaborate with other agencies to develop traffic lanes within port limits
		Operationalize the maritime casualty investigations department

Figure 4-1: Current Organizational Structure

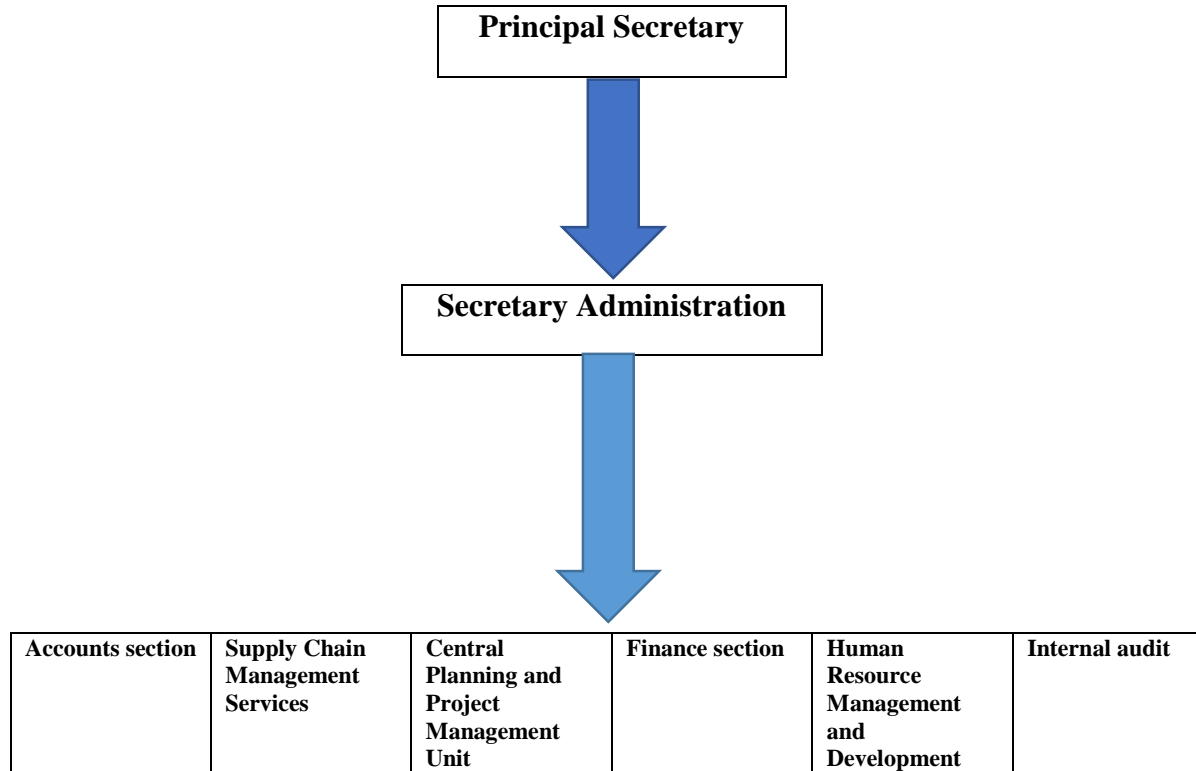
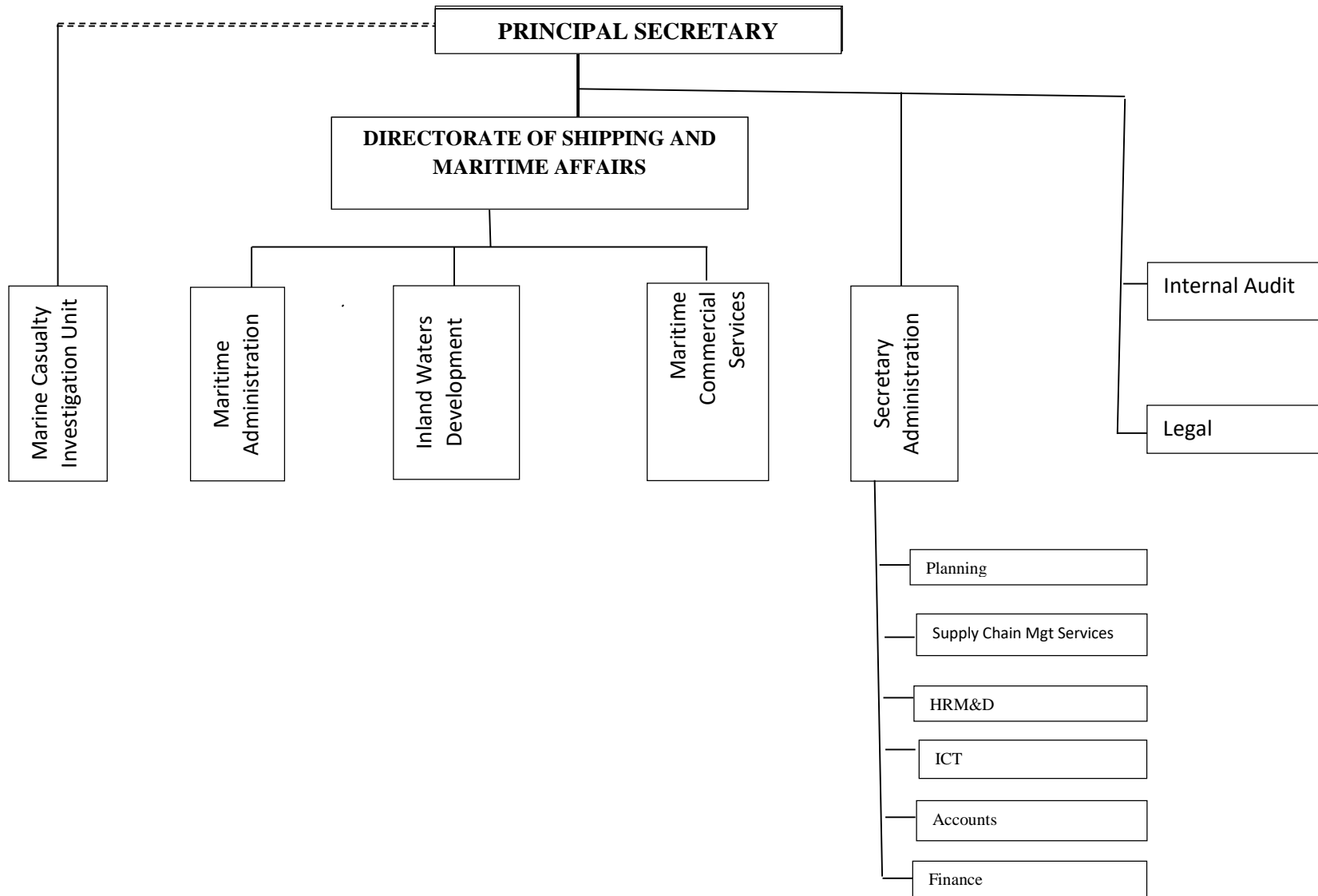


Figure 4-2: Proposed Organizational Structure



CHAPTER FIVE
MONITORING, EVALUATION AND REPORTING

5.1 Rationale for M&E

Monitoring and evaluation of the activities of the Department are linked to critical activities that will help in ensuring that the Department remains on course in pursuit of its objectives. Over the plan period, the Department shall:

- Under monitoring, specified data will be collected at activity level and channeled upwards to the CPP&MU in agreed formats on a continuous basis;
- Under evaluation, the data will be assessed against pre-selected indicators to determine the extent to which achievement has matched the set standards or targets and pertinent reports prepared. Periodic evaluation will be carried out; and
- After a report is prepared, remedial action shall be taken by the responsible officer in all cases where an undesirable variance between achievement and target is established.

As part of the National Integrated Monitoring and Evaluation System, (NIMES), the Department shall endeavor to report on its performance to the Monitoring and Evaluation Directorate, Ministry of Devolution and Planning, as provided for in the reporting mechanisms.

5.2 Current M&E Situation in the Department

Though the Department has been undertaking M&E activities, there has been hitherto no full fledged M&E system. Currently the data for M&E is collected at institutional and departmental levels with the coordination of the CPP&MU, but on an ad hoc basis. There is no structured mechanism for obtaining data from all the departments. This has led to inadequacies in the data that is currently available. As part of the M&E system, the data collection and analysis in the Department will be rationalized, with specific responsibilities for collection, aggregation and reporting to the Principal Secretary for Monitoring and Evaluation within this plan period.

The Monitoring and Evaluation System for the Department over this plan period consists of a monitoring and evaluation cycle and a monitoring and evaluation structure.

5.4 Reporting

Reporting will be based on the delivery units as outlined in the Performance Contract with the Principal Secretary and Departmental progress reports based on work plans. Monitoring will be continuous and two different reports will be prepared: Quarterly Progress Reports, which will include information on key output indicators against set targets for the quarter; and Annual Review Report, at the end of every financial year. Annual progress reports will be prepared to highlight key achievements against set targets, identify challenges encountered, lessons learnt and recommendations on the way forward.

Annex I: Implementation Matrix

Theme	Objective	Strategy	Outcome	Activity	KPI	Targets/Timeline					Indicative Budget (Kshs. Million)					Responsibility		
						Y1	Y2	Y3	Y4	Y5	Total	Y1	Y2	Y3	Y4		Y5	
-Maritime Administration	To provide a blue print to guide the long-term holistic development of the blue economy	Preparation and dissemination of a Blue Economy Master Plan	Blue Economy Master Plan developed and gazetted.	Develop and disseminate a Blue Economy Master Plan	Blue Economy Master Plan			1	1		700		400	300			MA	
					Dissemination Report			1	1	1								
	To create an enabling environment for development of the blue economy	Map and review policies, legal, regulatory and institutional frameworks	Policy, legal, regulatory and institutional framework developed/reviewed		Map, review and develop policies, legal, regulatory and institutional framework.	No. of policy, legal, regulatory and institutional frameworks			2	1	1	760		200	180	180		180
		Strengthen linkages with other stakeholder			Hold meetings/forums with stakeholders	No. of forums			12	12	13		132	20	28	28		28
	To define and guide the Maritime sector	Preparation and dissemination of a maritime transport policy	Seamless and interconnectedness capabilities of the sector realized	Develop and disseminate a Maritime Transport Policy	Policy			1			200	50	120	10	10	10		
					Dissemination Report			1	1	1								
					Dissemination Report				1	1								
	To increase the human resource capacity in the sector	Maritime Education and Training	Maritime education and training undertaken and a pool of expertise established	Undertake skills audit in the sector	Skills audit report			1			2,438	410	495	505	510	518		
				To develop a Maritime and Shipping Training Center of excellence	Maritime and Shipping Training Center of excellence			1										
				Enhance the capacity of Bandari College, by considering collaboration with other institutions which can ride on Bandari's accreditation by IMO to offer maritime studies for more Kenyans	No. of MoUs			5	5	4								
To create a skilled workforce among the youth	Undertake empowerment programmes targeting the youth		Skilled youth workforce created	Implement the "Vijana Baharia" Programme	No. of youth benefiting			20	20	21	1,130	226	226	226	226	226		
							50	50	50									
To create awareness and develop diverse	Capacity building		Diverse skills and competencies developed and awareness on Blue	Hold Capacity Building forums	No. of reports			6	6	5	2,438	410	495	505	510	518		

Theme	Objective	Strategy	Outcome	Activity	KPI	Targets/Timeline					Indicative Budget (Kshs. Million)					Responsibility
						Y1	Y2	Y3	Y4	Y5	Total	Y1	Y2	Y3	Y4	
	skills and competencies at national and county levels		Economy created													
	To collect, process, present and manage information in the sector	Establish a repository of blue economy information	Blue economy database established and managed	Collect, process, and develop a database on maritime and shipping	Database			1	1	2	550	15	110	110	110	205
				Establish and install a central data and information center (a database for research and shipping registration) Strategy	Integrated mechanism				1	1						
				Establish a mechanism of dissemination and sharing of industry data	Data sharing mechanisms					1						
Maritime Commercial Services	To increase job opportunities for youth	Ship building & repairs facilities and container repair industry developed	Increased job opportunities for the youth	Maritime Transport Services (ship building and repairs, container manufacturing and repair industry) industry established	Maritime transport services industry (Equipping and Capacity building) Incentives						7,070	4,000	3,040	10	10	10
	To increase socio-economic benefits to Kenyans through increased investment in coastal shipping	Advise on viability of Coastal shipping infrastructure	Specialized ports in Takaungu, Shimoni, Kilifi Bay and Malindi developed	Develop advisory reports	No. of reports			1	1	2	20,080	80	5,000	5,000	5,000	5,000
		Promotion of maritime and shipping related economic activities along the Kenyan Coast	Maritime and shipping related economic activities potential exploited (cruise ship, sports, culture and tourism)	Hold forums with stakeholders	No. of forums			1	1	2	100	20	20	20	20	20
				Participate in international and regional forums to market Kenya	No. of forums			7	7	6	50	10	10	10	10	10
	To increase youth and women participation in maritime affairs through cluster enterprises development	Implement empowerment programmes targeting youth and women	Seafarer's fund, women in maritime fund and Shipping and Training Maritime Fund Established	Develop and implement maritime cluster enterprise development	Funds established			3			3,000			1800	600	600
				Sensitization conducted	No. of Reports			1	2	2						

Theme	Objective	Strategy	Outcome	Activity	KPI	Targets/Timeline					Indicative Budget (Kshs. Million)					Responsibility	
						Y1	Y2	Y3	Y4	Y5	Total	Y1	Y2	Y3	Y4		Y5
	To provide information, technologies and innovations for development of the sector	Knowledge base for informed decision making improved	Evidence based decision and policy making	Establish a Research and Development centre/repository	% completion of a research and Development centre/repository			50	70	100	14,000			6,000	4,000	4,000	
				Undertake periodic research in maritime and shipping topical issues and disseminate findings	No. of research reports			2	2	2	60			20	20	20	
	To comply with Kenya's international obligations and commitment touching the sector	Strengthen linkages with other international agencies	Kenya's international obligations and commitments complied with.	Cooperation within Regional and International Frameworks	MoUs/Reports			7	7	6	2,000	100	475	475	475	475	
Inland Water Development	To create efficiency of inland water transport	Advise on safety, security and environmental protection as well as commercial aspects	Inland water ways and maritime trade network developed	Advise on the development and maintenance of modern inland water ways in Kisumu and Turkana (jetties, small ports)	No. of reports			1	1		3,500	300	800	800	800	800	IWD
				Establishment of liaison offices	No. of operational offices			1	1	1							
				Hold forums to promote community awareness in maritime opportunities in our inland waters	No. of forums			6	7	7							
Marine Casualty Investigations	To mitigate marine pollution and marine disasters and demonstrate preparedness	Implement risk management strategies for reduced marine disasters and	Marine pollution, marine disasters	Undertake audit to ascertain compliance with various legislations related to maritime and shipping	Audit report			1	1	2	457	169	72	72	72	72	MCI
				Review, formulate and disseminate of shipping and maritime policies and necessary legislation so as to ensure: Safety of life and ships at sea and at inland waters	No. of policies			1	1	1							
					Dissemination report			1	1	1							
				Mapping and acquisition of	No. of reports			1									

Theme	Objective	Strategy	Outcome	Activity	KPI	Targets/Timeline					Indicative Budget (Kshs. Million)					Responsibility			
						Y1	Y2	Y3	Y4	Y5	Total	Y1	Y2	Y3	Y4		Y5		
				necessary equipment and working tools															
				Develop a database of vessels and ships registered Kenya	Database			1											
Institutional Strengthening	To improve Human Resource Management and Development	Integrate human resource planning and development	Review and determine appropriate organizational Structure and staffing level	Conduct a review of organizational structure and staffing levels	Report on organizational Structure and staffing levels			1			2			2					
			Entrench performance management	Implement Performance Appraisal System	No. of reports			6	6	8									
			SDSM optimally staffed	Recruit technical staff	No. of staff			40	10	-	608	135	270	135	68	-			
			Strengthen Staff Training and Development	Undertake Training Needs Assessment	TNA report			1		1	10		5				5		
				Implement feasible recommendations of the TNA	Implementation report			2	2	1									
	To track implementation of key Departmental objectives	Prepare and submit projects/programmes implementation reports	Efficiency and effectiveness in service delivery improved	Implement annual Performance Contract (PC)	PC reports			8	6	6									
				Prepare projects/programmes implementation reports	No. of reports			6	6	4	4		1	1	1	1			
				Re-engineer service delivery	Re-engineer the service delivery systems	ISO certification (%)			45	100		15		10	5				
	To improve visibility of the State Department	Prepare and disseminate IEC materials that relate to shipping and maritime	Develop and disseminate information, education and communication materials on the Department	Develop and disseminate a Communication Strategy	Communication Strategy			1			6		6						
					Dissemination report			1											
				Publish and disseminate a Quarterly Bulletin	Number of Bulletins			7	6	6	38	6	8	8	8	8			
				Revamp and update Department's web presence weekly	Revamped web presence			1			2	2							
					Weekly updates			10	104	52									
Develop and implement CSR programmes				Programmes benefiting			2	2	1	10	2	2	2	2	2				
				Activation of social media platform/e-visibility	Social media platforms			6	6	3									

Theme	Objective	Strategy	Outcome	Activity	KPI	Targets/Timeline					Indicative Budget (Kshs. Million)					Responsibility			
						Y1	Y2	Y3	Y4	Y5	Total	Y1	Y2	Y3	Y4		Y5		
				Engage the media	Number of Engagements with Mainstream Media			6	6	6	2.5	0.5	1	1	1	1			
	To mobilize resources for sustainability of the departmental programmes and projects	Develop and implement resource mobilization strategies	Adequate resources to finance Department's Programmes mobilized	Preparation of PBB	PBB report			2	2	1	4	1	1	1	1	1			
Preparation of PRR				PRR report			2	2	1										
Develop funding proposals on resource mobilization to development partners				No. of funding proposals			8	6	6										
Establish Public Private Partnership in maritime and shipping industry				No. of MoUs			1	2	2										
Processes automated			Automating operations and developing operating policies and procedures.	Install and operationalize an Enterprise Resource Planning (ERP) system			1					200		200					
					Operationalize the ERP system by training users														