



REPORT OF THE 2ND ANNUAL POSTAL/COURIER STAKEHOLDER FORUM

HELD ON 7TH APRIL 2010 AT THE INTERCONTINENTAL HOTEL,
NAIROBI
KENYA

HOSTED BY THE COMMUNICATIONS COMMISSION OF KENYA (CCK)



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1.0 INTRODUCTION

The second Postal/courier Stakeholder Forum that brought together industry stakeholders in the postal/courier subsector was held on 7th April 2010 at the Intercontinental Hotel, Nairobi. The theme of this year's forum was "*embracing technology in the promotion of door-to-door delivery*".

The Permanent Secretary in the Ministry of Information and Communications, Dr. Bitange Ndemo, opened the forum.

The proceedings were facilitated by Mr. Aloys Ochieng Ang'asa, a renowned Nairobi based postal consultant.

This report presents the proceedings and recommendations made following the interactive sessions.

2.0 PARTICIPATION

The list of industry stakeholders and other participants who attended the forum is contained in *Appendix I*.

3.0 OPENING CEREMONY

3.1 SPEECH BY THE PERMANENT SECRETARY IN THE MINISTRY OF INFORMATION AND COMMUNICATIONS DR. BITANGE NDEMO

In his keynote address, the Permanent Secretary:

- Welcomed all participants to the postal/courier event noting the seriousness the government accorded the postal/courier sector;

- Regarding the theme of the forum, he informed participants that he would chair an inter-ministerial meeting that morning to chart the way forward for Kenya with regards to developing a National Addressing System for the whole country that would grow the postal/courier sector , facilitate emergency and security services, and location identification among other uses;
- Underlined the potential of postal/courier operators given their geographical spread of in enhancing e-commerce;
- Challenged operators to implement strategies that would ensure growth and use ICTs to remain relevant;
- Emphasised the government’s strategies to revitalise the sector that include promotion of competition in the non-exclusive areas including development of postal financial services, electronic/ hybrid mail, direct mail, agency and parcel services;
- Noted that the operationalization of the Kenya Communications (Amendment) Act , 2009 would enhance e-commerce as it recognises e-transactions and the establishment of a national addressing system would further enhance investment as banks trust those who can be traced and have clear addresses;
- Underlined the importance of the sector that is worth Ksh.10 billion and tipped to reach Ksh.17 billion by 2012, operators should then be able to deliver groceries to door steps.

His full Address is contained in *Appendix II*

3.2 OTHER STATEMENTS

The following were other statements delivered during the opening ceremony.

3.2.1 STATEMENT BY THE CHAIRPERSON OF THE COURIER INDUSTRY ASSOCIATION OF KENYA (CIAK) MS. JANE BABSA-NZIBO

In her statement, the chairperson of the Courier Industry Association of Kenya (CIAK) Ms. Jane Babsa-Nzibo:

- Commended the Director-General of CCK for once again convening and facilitating the forum and hailed the initiative as

it encouraged dialogue with a view to developing the sub-sector;

- Observed that a number of recommendations arrived at the previous year had been implemented and noted that intra-city and domestic couriers had increased by more than 30% thereby enhancing penetration;
- Urged domestic players in the sector to embrace track and trace in their operations and accord customers proof of delivery in the highly competitive sector characterised by numerous street drop-off and collection points in many urban areas;
- Urged CCK to intervene in lowering training fees being charged by AFRALTI amounting to US\$ 500 per participant that is unaffordable to many courier operators;
- Asked that the proposed contribution of 1% of gross turnover by postal/courier operators to the Universal Fund be reduced to affordable level and called on CCK to approve discounted prices in the market that threaten the level playing field in the subsector;
- Lauded the current efforts by authorities to name and number streets as a good initiative in promoting service standards;
- Reiterated CIAK's mission of enhancing harmony and representing collective interest while encouraging compliance in the sector.

Ms. Jane Babsa-Nzibo's full statement is contained in *Appendix III*.

3.2.1 **STATEMENT BY DIRECTOR-GENERAL OF CCK, MR. CHARLES K. NJOROGE**

In his statement, the Director-General of Communications Commission of Kenya (CCK) welcomed all participants to the forum and:-

- Observed that the postal/courier sector was an indispensable part of the economy and its success would be hinged on having a good National Addressing System;
- Emphasised the need for an address for everyone as its lack may exclude one from legal recognition and access to requisite resources;

- Stressed that property numbering and naming would make physical tracing easier and guarantee quick and efficient delivery of postal/courier articles;
- Underlined the need for multi-sectoral collaboration in enhancing service delivery especially in network interconnections and reporting undue practices in the market;
- Thanked participants and presenters for their common vision and sharing their perspectives for the sector;
- Promised to address issues raised in the forum including enforcement by having a countrywide/regional presence in due course in further facilitating growth in the communications industry;
- Observing that the inaugural regulations course at AFRALTI was costly and few courier operators could attend, he promised to intervene with a view to lowering participation costs;
- Indicated that issues concerning contributions to the proposed universal fund are yet to be finalised and concerns regarding the level of contribution by couriers would be addressed.

The Director General's full statement is contained in *Appendix IV*.

3.2.3 STATEMENT BY POSTMASTER-GENERAL OF THE POSTAL CORPORATION OF KENYA (PCK) MAJ-GEN (RTD) ALI M. HUSSEIN

In a statement read on his behalf by Mr. Stephen Muriuki PCK's General Manager, the Postmaster-General:

- Stated that the universal obligation has compelled PCK to come up with new business models in providing affordable services and at the same time remain afloat;
- Appreciated the relevance of the forum theme as it addresses issues important to PCK business;
- Affirmed PCK's efforts in attaining universal service as demonstrated by her over 700 countrywide post offices that keep Kenyans in touch with a global network of over 700,000 outlets;
- Announced that PCK has taken technological advancement as an opportunity by automating a variety of services;

- Hailed the success of Posta Dispatch service launched in 2008 as a door-to-door pick-up and delivery service for various postal items with an element of automation;
- Indicated that EMS Kenya serves over 220 local outlets and 3000 international destinations;
- Urged CCK to continue holding such consultative sessions as they provide avenues for stakeholders to share and exchange ideas in the dynamic postal industry.

The Postmaster-General's full statement is contained in *Appendix V*.

3.2.4 STATEMENT BY CHAIRMAN OF THE COUNCIL OF ADMINISTRATION (CA) OF THE UNIVERSAL POSTAL UNION (UPU) AMB. BISHAR HUSSEIN

In his statement, the Chairman of the UPU Council of Administration Amb. Bishar Hussein:

- Thanked the CCK for organising the interactive event which the UPU supports as a consultative forum for the sector;
- Commended the participants and the courier umbrella body for attending and the facilitator who he recognised as a postal expert of repute for steering the interactions;
- Related his rich postal background dating back to his epoch as the first Postmaster-General in Kenya upon commencement of the communications sector liberalisation, his diplomatic stint in Dubai and now at the helm of the world's postal body after being the first chair of the UPU Congress in independent Africa;
- Recognised Kenya's current pivotal position as a world benchmark on the postal front as not only supervising world postal affairs at the UPU amid Congresses but also in charge of Africa's continental postal body (PAPU) Secretariat through the Kenyan Secretary-General Mrs. Rodah Masaviru;
- Observed that addressing is a current subject under serious discussion globally and called for collaborative efforts to realise broad postal objectives;
- Encouraged the courier umbrella body-CIAK to join the UPU Consultative Council-postal stakeholder body and exchange views from a global perspective for the good of a satisfied postal customer;
- Revisited recent developments in the post that include exhaustion of box numbering schemes in Kenya that called for postcode development and

infinitely opened numbering schemes; the advanced Tanzanian version of postcodes that link codes to national numbering schemes; use of tracking technology in delivery vehicles and cycles; use of fibre connectivity to monitor deliveries through GPS in logistics and transportation; the UPU dot post system globally available in collaboration with ICANN as a critical developments in addressing systems.

The UPU CA Chairman's full statement is contained in **Appendix VI**.

4.0 PRESENTATIONS

In his introductory remarks, the moderator underscored the importance of such consultative forums and lauded CCK for making it an annual event on her calendar.

The presentations were made as follows:

4.1 Regulatory Issues

4.1.1 Topic: *promoting awareness of prohibited game articles in the postal industry*-By Ms. Lucy Muitu-Deputy Chief Licensing Officer, - Regulatory, Enforcement & Compliance Affairs Kenya Wildlife Service(KWS)

In her presentation, Ms. Muitu:

- Defined the mandate, mission and vision of the Kenya Wildlife Service and what game trophies and trade entail;
- Stated that KWS is the designated wildlife management authority of Kenya that closely works with the National Museums as her scientific counterpart;
- Pointed out that national legislation prohibits trade in/possession of wildlife and wildlife products (specimens) except under special authorization and is consistent with international legislation;
- Called on operators to understand and adhere to requirements for shipping game trophies asking interested parties to confirm by visiting the KWS website at www.kws.org in order to be in a position to detect items not admissible for transmission or even in possession.

Ms Muitu's full presentation is contained in *Appendix VII*.

Recommendations:

- Operators are urged to consult KWS to understand and adhere to requirements for shipping game trophies as well as possessing them.(*Action-all operators*)
- Development of door-to-door delivery will assist in identification and location of people involved in illegal shipment of game trophies(*Action-Taskforce on National Addressing System*).

4.1.2 Topic: *The role of CIAK in promoting compliance in the postal sector - by Mr. Samuel Gichohi, Secretary, Courier Industry Association of Kenya (CIAK)*

In his presentation, Mr. Gichohi:

- Stated the mission of the courier body and the benefits that accrue to members including representation of collective interests, promotion of best practices , enhancement of harmony and regulatory compliance in the sector;
- Asked for operators who have not joined CIAK to come on board;
- Called for closer cooperation among stakeholders especially with CCK and report illegalities in the sector for prosperity of the postal/courier sector;
- Called on CCK to consider decentralising her operations to meet challenges posed by unlicensed operators in the market;
- Reported that the CIAK membership had reached 30 whereas CCK has licensed 200 operators and urged the licensees to join CIAK who should contact the secretariat at gichohi@tnt.com ;

Mr. Gichohi's full presentation is contained in *Appendix VIII*

Recommendations:

- CIAK needs to devise ways of bringing more licensed operators on board to promote compliance in the industry.(*Action -CIAK*);
- CIAK should consider consulting CCK on joining UPU's Consultative Council (CC) to reap benefits of forging global pacts and collaborations.(*Action -CIAK*);
- Enhancement of technology in the door-to-door delivery will not improve courier services but will also help in identification of illegal operators. (*Action –Task Force on National Addressing*).

4.1.3 Topic: *Licensing framework for the postal/courier sub-sector- By Mr. Christopher Kemei, Assistant Director, Licensing Compliance & Standards Communications Commission of Kenya (CCK).*

In his presentation, Mr. Kemei :

- Outlined the scope and mandate of the 2009 reviewed communications legislative framework that brings ICTs under one sector;
- Listed the regulatory instruments used by the Commission in regulating the Sub-sector which include the Act, Regulations, UPU Acts, Sector Policy, Market Studies, Industry feedback and CCK strategic objectives;
- Stated that a licence allows CCK to authorize universal service provider and courier operators to provide quality services and ensure level playfield;
- Outlined various licence categories and licensing requirements including licensing conditions, which can be accessed easily by visiting CCK website: www.cck.go.ke ,
- Stated penalties and fines applicable for non-compliance with licence conditions;
- Cited the challenges faced in the market and recommendations on the way forward.

Mr. Kemei's full presentation is contained in ***Appendix IX***

Recommendations:

- All operators must abide by licensing conditions including payment of licensing fees and submission of returns or risk existing penalties; *.(Action –All operators);*
- The existing laws including those with respect to reserved services will be enforced. *.(Action –CCK);*
- CCK to participate in and facilitate the enhancement of technology in the promotion of door-to-door delivery. *(Action –CCK).*

4.2. Operational Issues

4.2.1 Topic: *The role of police in promoting postal/courier industry; Anti-narcotic fight and prosecution of illegal operators in the market- By*

Ms. Judith Odhiambo, officer In-Charge Anti-Narcotics, Kenya police.

In her presentation, Ms. Odhiambo:

- Outlined the mandate of the Kenya police in detecting, investigating and gathering intelligence including general maintenance of law and order and apprehension of offenders with the specific goal of improving drug interdiction and standard of prosecution;
- Highlighted the joint efforts of CCK and the Kenya police in bringing offenders in the postal sector to book.
- Reported that in the quarter ending March 2010, all the nine offenders arraigned in court in Central and North Eastern Kenya were convicted and fined accordingly;
- Cited successful joint operations between the police and PCK that saw controlled delivery of suspect articles nab a number of culprits;

Ms. Odhiambo's full presentation is contained in *Appendix X*

Recommendations

- Police and operators should jointly work to shed off the common perception of Kenya as an international conduit for drug transition and her blacklisting as a drug transit centre; *(Action –All)*;
- Need for operators to consider conducting random checks on items accepted or demand sealing of covers at acceptance points; *(Action – Operators)*;
- While efforts should be made to acquire drug detection machines, due care should be exercised by operators in an effort to detect drugs being introduced into postal/courier networks noting that they are equally answerable in case drugs are discovery in their systems. *Action – Operators)*;
- Enhancement of door-to-door delivery would assist in identifying and locating recipients of narcotics and illegal operators in drugs. *(Action – All)*.

4.2.2 Topic: Consumer issues in the delivery of postal/courier services

By CCK- Assistant Director Consumer affairs –Ms. Patricia Muchiri

In her presentation, Ms. Muchiri:

- Enumerated some of the emerging complaint consumer issues that include unfair pricing, poor service quality and delays;
- Stated the commission’s role that includes ensuring that consumers get value for money and consumer education;
- Cited operators’ expectations that include dealing expeditiously with complaints, maintaining a log of complaints and filling with CCK their complaints procedures;
- Relayed findings of the customer satisfaction and perception surveys so far conducted by the Commission and consumer education plans being planned.

Ms. Muchiri’s full presentation is contained in *Appendix XI*.

Recommendations

- Operators should enhance interconnectivity for the convenience of their customers. (*Action –All*).
- Enhancement of door-to-door delivery system should enable development and improvement of delivery standards. (*Action –All*).
- operators should provide information on tariffs, complaints reporting and handling, service outlets among other requirements on websites and other channels; (*Action –All*).

4.2.3 Topic: Universal postal services-possible implementation scenarios and challenges Mr. Muriuki, General Manager, PCK General, Postal Corporation of Kenya (PCK)

In a presentation for the General Manager, Mrs. Ombati of PCK:

- Defined universal postal services and explained the mandate of PCK as the provider of universal postal services;
- Observed that in meeting the universal service obligation, PCK has over 700 outlets and 5000 stamp vendors to facilitate the execution of the mandate;
- Proposed door-to-door, mail receptacles, locking mechanisms, and apartment receptacles as models for growth;

- Stated issues that require immediate resolution as pricing, financing and embracing of technology;
- Cited strategic alliances, partnering, as way forward for the public postal licensee;

Mr. Muriuki's full presentation is contained in *Annex XII*

Recommendations

- The CCK should operationalise the universal service fund to assist the public postal licensee in meeting her legal obligations; (*Action –CCK*).
- Need to embark on street naming and numbering to facilitate door to door mail delivery; (*Action –Local Authorities*).
- PCK to commence urban door-to-door mail delivery; (*Action –PCK*).
- Set timeframes for realising Universal service step by step in view of declining network size. (*Action –CCK&PCK*).

4.2.4-TOPIC; EMERGING TRENDS AND ISSUES IN THE POSTAL SECTOR –By CCK Director CTMA (Competition, Tariffs and Market Analysis)-Mr. Matano Ndaro

In the presentation for D/CTMA, Mr. Richard Tonui of CCK:

- Gave a comparative presentation of regulatory scenarios in competition and regulation from different countries from different continents in various development stages;
- Stated that postal sector reform should be guided by appropriate studies so as to ensure a healthy balance between free competition and provision of the universal postal service;
- Highlighted gradual reduction or/elimination of reserved services, particularly in European countries;
- Indicated that postal services in Africa are generally highly regulated but enforcement has been very weak coupled with low penalties for violating reserved services unlike in developed countries;

- Highlighted that mail delivery in Africa is mostly through P. O. Box but not to a physical address (Door to door) as is happening in developed countries;
- Cited some of the challenges in the postal sector, particularly with regard to Universal Postal Services (UPS) to include: defining UPS and its scope to meet the needs of the nationals, taking into account the current environment locally and globally; efficiently and effectively protecting reserved areas in developing countries; ensuring the UPS are delivered efficiently and sustainably and coming up with national addressing system in Africa-Kenya to facilitate door to door mail delivery as it happens in the developed economies;
- Indicated that there exists interconnections between national/Universal Service Obligation operators and private operators globally;
- Emphasized the need for continued collaboration among the stakeholders would greatly assist in shaping the postal courier sector for the benefit of all

Mr. Ndaro's full presentation is contained in **Annex XIII**.

Recommendations

- Postal reforms which include review of reserved services and scope of Universal Postal Services should be preceded by a study into its implication and should be gradual as evidenced by studies cited in the presentation; (*Action –CCK*).
- There is need for continued collaboration among the stakeholders would greatly assist in shaping the postal courier sector for the benefit of all. (*Action –All*).

5.0 OTHER RECOMMENDATION ARISING FROM FORUM DELIBERATION

- CCK to address issues raised in the forum including enforcement by having a countrywide/regional presence in due course in further facilitating growth of the communications industry;
- The inaugural regulations course at AFRALTI was costly and few courier operators could attend, CCK to therefore consider intervening with a view to lowering participation costs;
- Indicated that issues concerning contributions to the proposed universal fund are yet to be finalised and concerns regarding levels of contribution by couriers would be addressed.

6.0 IMPLEMENTATION OF RECOMMENDATIONS

The Forum reviewed the implementation status of the 2009 recommendations as reflected in the action matrix below.

Recommendation

- Communications Commission of Kenya was mandated to regularly monitor the implementation of recommendations of the Postal Courier Stakeholder forums, 2009 and 2010; (*Action –CCK*).
- All the stakeholder are urged to ensure implementation of the recommendations and to regularly submit their status of implementation to CCK; (*Action –All*).

The combined implementation matrix is as follows:

ACTION MATRIX ON RECOMMENDATIONS OF THE 1ST & 2ND POSTAL/COURIER FORUM OF 2009& 2010

RECOM M. NO	RECOMMENDATION	ACTION BY	STATUS/REMARKS
I 2010 Forum			
4.1.1	Topic: promoting awareness of prohibited game articles in the postal industry-By Kenya Wildlife Service(KWS)		
1.	Operators are urged to consult KWS to understand and adhere to requirements for	All stakeholde	

RECOM M. NO	RECOMMENDATION	ACTION BY	STATUS/REMARKS
	shipping game trophies as well as possessing them.	rs	
4.1.2	Topic: <i>The role of CIAK in promoting compliance in the postal sector – by Courier Industry Association of Kenya (CIAK)</i>		
2.	CIAK needs to devise ways of bringing more licensed operators on board to promote compliance in the industry;	CIAK	
3.	CIAK should consider consulting CCK on joining UPU's Consultative Council (CC) to reap benefits of forging global pacts and collaborations	CIAK	
4.1.3	Topic: <i>Licensing framework for the postal/courier sub-sector- By Communications Commission of Kenya (CCK).</i>		
4.	All operators must abide by licensing conditions including payment of licensing fees and submission of returns or risk existing penalties;	All licensees	
5.	The existing laws including those with respect to reserved services will be enforced .	CCK	
4.2.1	Topic: <i>The role of police in promoting postal/courier industry; Anti-narcotic fight and prosecution of illegal operators in the market- By Kenya police.</i>		
6.	Police and operators should jointly work to shed off the common perception of Kenya as an international conduit for drug transition and her blacklisting as a drug transit centre;	All stakeholders	
7.	Need for operators to consider conducting random checks on items accepted or demand sealing of covers at acceptance points.	All licensees	
8.	While efforts should be made to acquire drug detection machines, due care should be exercised by operators in an effort to detect drugs being introduced into postal/courier networks noting that they are equally answerable in case drugs are discovery in their systems	All licensees	
4.2.2	Topic: <i>Consumer issues in the delivery of postal/courier services</i> By CCK		
9.	operators should enhance	All licensees	

RECOM M. NO	RECOMMENDATION	ACTION BY	STATUS/REMARKS
	interconnectivity for the convenience of their customers		
10.	operators should provide information on tariffs, complaints reporting and handling, service outlets among other requirements on websites and other channels;	All licensees	
4.2.3 Topic: Universal postal services-possible implementation scenarios and challenges by Postal Corporation of Kenya (PCK)			
11.	The CCK should operationalise the universal service fund to assist the public postal licensee in meeting her legal obligations;	CCK	
12.	Need to embark on street naming and numbering to facilitate door to door mail delivery;	MOIC	
13.	PCK to commence urban door-to-door mail delivery.	PCK	
14.	Set timeframes for realising Universal service step by step in view of declining network size.	CCK	
4.2.4-Topic; Emerging Trends and Issues in the Postal Sector –By CCK			
15.	Postal reforms which include review of reserved services and scope of Universal Postal Services should be preceded by a study into its implication and should be gradual as evidenced by studies cited in the presentation;	All stakeholders	
16.	There is need for continued collaboration among the stakeholders would greatly assist in shaping the postal courier sector for the benefit of all.	All stakeholders	
5.0 Other Recommendation Arising from Forum Deliberation			
17.	CCK to address issues raised in the forum including enforcement by having a countrywide/regional presence in due course in further facilitating growth of the communications industry;	CCK	
18.	The inaugural regulations course at AFRALTI was costly and few courier operators could attend, CCK to therefore consider intervening with a view to lowering participation costs;	CCK	
19.	Indicated that issues concerning contributions to the proposed universal fund are yet to be finalised and concerns	CCK	

RECOM M. NO	RECOMMENDATION	ACTION BY	STATUS/REMARKS
	regarding levels of contribution by couriers would be addressed		
6.0 Implementation of Recommendations			
20.	Communications Commission of Kenya was mandated to regularly monitor the implementation of recommendations of the Postal Courier Stakeholder forums, 2009 and 2010;	CCK	
21.	All the stakeholder are urged to ensure implementation of the recommendations and to regularly submit their status of implementation to CCK ;	All stakeholders	
II 2009 Forum			
4.1.1 Topic: Regulatory issues in the Postal/ Courier sub-Sector by CCK			
1.	Licensees must provide all required returns in time as these inform regulatory decisions and actions for the betterment of the industry;	All licensees	Licensees are yet to comply satisfactorily. Only a small fraction of licensees have complied and the regulator may have to impose penalties to noncompliant operators.
2.	Hold frequent consultative forums to sensitise the industry and provide fresh impetus;	CCK	Ongoing-this is the second forum.
3.	The CCK's postal/courier structure is inadequate as compared to the telecom one need to be addressed by enhancement of the organizational in tandem with sector's prominence.	CCK	CCK has a consultancy team on the ground currently reviewing its organization which would take into account this concern
4.	Enhance enforcement function of the regulator particularly the frequency of inspections and sensitisation exercises;	CCK	Yearly inspections covering all regions including the hardship areas in done yearly. Findings requiring corrective action communicated to affected licensees.
5.	Postal legislation that hinder competition and negate level playing ground should be reviewed particularly on reserved services weight steps of upto 350 grammes including tariffs for reserved services;	MOIC/ CCK	CCK will in due course initiate stakeholder consultation in this matter
6.	The regulator should ensure confidentiality of information submitted by licensees and where third parties seek such information, a written request from the regulator should be availed;	CCK	The Commission is fully compliant
7.	To facilitate monitoring of mail delivery standards, operators should ensure that mail covers have clear /legible date-stamp impressions thereon;	All licensees	Inspection in many outlets countrywide reveals existence of illegible impressions and even missing date types and worn out date stamps.
8.	With regards to undeliverable articles,	All	Operators to report

RECOM M. NO	RECOMMENDATION	ACTION BY	STATUS/REMARKS
	clear handling procedures should be in place stipulating retention periods before RTS (return to sender) or RLO (returned letter office) as the case may demand. As guidance in this respect can be found in the Kenya Communications Regulations, 2001;	licensees	
9.	Basic tariffs should be displayed at all licensee outlets as per licence conditionality(essence of this is to provide consumers with wide and informed choices);	All licensees	This is not being observed by many licensees
4.2.1: Topic: Manpower development for Postal/Courier industry by, African Advanced Level Training Institute (AFRALTI)			
10.	CCK to consider sponsoring smaller courier licensees to the scheduled AFRALTI postal courses as requested in the forum as a way of empowering players in the sector with requisite skills;	CCK	The Universal Service Fund which is in the process of being implemented is expected to partly take care of the concern by enhancing capacity in the ICTs.
11.	Operators are encouraged to opt for in-house training available from AFRALTI as these are cost effective	All licensees	Operators to report
4.2.2:Topic: Presentation on recent developments in the Postal /Courier market by CCK			
12.	Need to provide appropriate regulation for emerging telecom financial services particularly in consumer protection and fair play;	MOIC/ CCK	This is being addressed -some inter-ministerial discussions are ongoing.
13.	Need to develop a fair compensation system among the over 40% of the market players that now cooperate in service delivery;	MOIC/ CCK/Licensees	being addressed
14.	Urgent need for a coordinating committee preferably championed by the regulator to address issues of street naming and numbering that hamper door to door mail pick-up and delivery;	CCK/ MOIC	MOIC to report
15.	The regulator to source confidential data/information directly from the operators whenever it is conducting studies as opposed to using third parties so as to guard against likely disclosure of the same;	CCK	See recommendation 6 above
16.	Need for timely submission of returns by operators to facilitate production of up-to-date regulator statistics and market information;	All licensees	See recommendation 1 above
17.	The rising security concerns in the post calls for among others, insurance of postal/courier items in order to protect	All licensees	International firms insure items up to US\$ 10-local courier have not extended this service since content and value which is

RECOM M. NO	RECOMMENDATION	ACTION BY	STATUS/REMARKS
	public interests;		the basis for insurance are not declared.
18.	Need to enact quality standards for all postal and courier products and services;	CCK/Licensees	issue being studied
4.2.3:Topic: Provision of Universal Postal Services: The Role of PCK Postal Corporation of Kenya (PCK)			
19.	Given the falling level of postal outlets from 1030 in 1999 to just 700 today, CCK should put in place deliberate strategies to promote provision of universal postal services in liaison with the provider-PCK;	CCK	The universal service fund is in the process of being implemented
20.	The envisaged Universal Service Fund should be operationalised with the postal sector in mind;	CCK	See recommendation 19 above
21.	Courier operators should desist from practices that impede provision of universal services such as applications of tariffs below the allowable levels in the reserved service segment.	All licensees	Penalties for those levying illegal tariffs to be applied.
4.2.4:Opportunities and Challenges in the Postal /Courier Sector by Courier Industry Association of Kenya(CIAK).			
22.	CCK should consider fees review and inclusion of CIAK in the licensing process (to vet new players seeking licenses);	CCK	Fees have been reviewed and operators who feel the flat-rate amount is high can opt for the turnover-based that recognises level/scale of operations.
23.	The regulator should consider reviewing the reserved market segment of basic letters weighing upto 350grammes in order to further open up the market for competition;	CCK/MOIC	See Recommendation 5
24.	KRA to extend 24 hour clearance services to DHL as agreed-this should be escalated to other operators with time;	KRA	Report by KRA
25.	KRA should consider removal of the 2.25% government fees for bonded warehouse shipments;	KRA	REPORT BY KRA
26.	CIAK is urged to broaden her membership from the current 21 to cover the 150 licensed by CCK:	CIAK	Report by CIAK
27.	Consideration should be made regarding representation of postal/courier stakeholders on the CCK board and that CIAK could recommend a representative.	MOIC	COMMENTS BY MOIC/NCS
4.2.5: Topic: The role of the local authorities in promotion of postal/courier industry by City Council of Nairobi			
28.	CCK, PCK and CIAK should put in place an in-house committee on the issue	CCK/CIAK/M	See Recommendation14

RECOM M. NO	RECOMMENDATION	ACTION BY	STATUS/REMARKS
	of street naming/numbering to liaise with the City planning office as a step to facilitate door-to-door delivery;	OIC	
29.	City Council should explore use of materials not prone to vandalism in road/street signs;	CCN	NCC to comment/report
30.	Embrace digital mapping and numbering as a step to facilitate physical plans.	CCN/L OCAL GOVT	Comments invited from all.
Others -this year			
31.	Harassment by Nairobi City Council on vehicle branding and parking-	CCK/MO IC	Noted that possession of CCK licence does not exempt nor exonerate one from other legally requirements-but CCK may lobby local authorities through MOIC to ease these concerns.
32.	display prices for consumers to make informed choices and promote competition	ALL LICENS EES	
33.	To control transmission of illegal articles an operator need to identify senders of items by among others since some culprits have been known to send items using false names and addresses.	ALL LICENS EES	
34.	Put in place a good National Addressing System	MOIC/CCK/ OPERATOR S/LOCAL GVT/LAND S	This will be a multi-sectoral initiative of which CCK is a member-be fast tracked- as an intensive collaborative exercise that may entail changing some urban byelaws, will involve mapping to promote e-commerce , security, emergency response and open up many other opportunities.

7.0 CONCLUDING REMARKS BY THE MODERATOR

7. 1. In conclusion, the moderator gave a summary of the day’s deliberations. He noted that the meeting had generally appreciated the rate of implementation of the 2009 recommendations but regretted that the action matrix had not been widely circulated to last year’s participants. He therefore recommended that the 2009 action matrix be combined with the 2010 actions. (*Action – CCK*)T
- 7.2. The action matrix be made available to all participants and relevant action authorities. (*Action – CCK*)

- 7.3. CCK to constitute an implementation monitoring team which should present regular updates on implementation. (*Action – CCK*)
- 7.4 He strongly commended the Commission’s decision to hold the forum, but recommended that stakeholders be engaged in the interim in providing feedback on how to improve the forum particularly their comments on content, participation and frequency. (*Action – All*)
- 7.5. On the regulatory environment, he called for a relook by all players at Kenya’s international image particularly the perception of our nation as a narcotics transit centre .
- 7.6. While calling on enhanced consumer education, he advised KWS to go beyond airlines and sensitise postal courier operators as well and all to see a fuller list of prohibited items available in existing communications regulations.
- 7.7. He observed that the issues of interconnection should be bilateral and between two or more operators collaborating.

The next meeting will be convened on notice.

MODERATOR:

.....

Mr. Aloys Ochieng Anga’sa

RAPPORTEURS

.....

M. Ngesa

.....

R. Tonui

APPENDIX I

PARTICIPANTS LIST
2ND ANNUAL POSTAL/COURIER STAKEHOLDERS' FORUM

7TH APRIL 2010
INTERCONTINENTAL HOTEL, NAIROBI KENYA

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APPENDIX II

ADDRESS BY DR. BITANGE NDEMO, PERMANENT SECRETARY, MINISTER FOR INFORMATION AND COMMUNICATIONS, DURING THE 2010 NATIONAL POSTAL/COURIER STAKEHOLDERS' FORUM ON 7TH APRIL 2010, AT THE INTERCONTINENTAL HOTEL, NAIROBI

Mr. Charles J.K. Njoroge, Director-General, CCK

Amb. Bishar Abdulrahman. Hussein, Chairman of Council of Administration (CA)
of UPU

Maj.General (Rtd) Hussein Ali, Postmaster General, Postal Corporation of Kenya

Madam Jane Babsa –Nzibo, Chairperson, Courier Industry Association of Kenya
(CIAK)

CEOs of Courier Operators

Distinguished guests

Ladies and gentlemen

I am delighted to join you once at this forum. It is gratifying to note the seriousness being accorded to the postal/courier subsector considering the significance of its contribution to socio-economic development.

This year's theme on the role of ICT in enhancing delivery of mail from point to point would not have come at a better time. Provision of easy access and more importantly a national addressing is a fundamental strategy not only to the sector but to the economy as a whole in promoting the socio-economic development agenda. The uses of a national addressing system are far more than postal deliveries. It is of essence therefore, that all stakeholders galvanize their effort in order to develop a good national addressing system that can be utilized on many fronts.

The traceability of an individual is important in planning, in emergency situations especially during national disasters and in effective management of national programmes. There is no doubt that Kenya needs to keep pace with the changing trends. One of the steps that will certainly give us due advantage is the development of an effective system of identification of locations.

The Government's efforts so far in numbering buildings and naming streets, epitomize a world of possibilities in such a venture. We need not emphasize the necessity for collaborative inter-ministerial efforts and the expansion of this project into all parts of the country.

The days when the postal service was a means for linking people through mail alone are long gone. Today's environment has changed and we need postal service that can form the link between people and between businesses. The change in attitude is one of the critical elements of turning postal/courier services into sustainable ventures. The geographical spread of the Post Offices and courier delivery/collection networks, point to the trust that citizens have in the network. These are some of the stock on the table over which postal and courier managers should capitalize on, to ensure the networks remain competitive in the face of the increasingly challenging environment.

I wish to challenge the operators of courier and postal services, to implement strategies that, among other things, will ensure sustainability and growth of the sector, utilize emerging technological developments and opportunities to re-position and remain relevant to the public and economy at large. The sector must take phenomenal changes in the communications industry which will create avenues for diversification. We shouldn't lose sight of the potential that lies in the facilitation of Small and Medium Enterprises (SMEs) in domestic and cross-border exchange of goods and services. Given the promise of postal and courier services in Kenya, more efforts are required to utilize ICT in the provision of these services.

Ladies and gentlemen, it is with this in mind that the Government has deployed a number of strategies geared towards revitalizing the postal/courier sub-sector. These include promoting competition in the non-exclusive postal market segments; advocating the use of the postal network in the provision of electronic commerce; and supporting the provision of financial service over the postal/courier network. The growing worth of the sector is evidence that these strategies are already beginning to bear fruit. Physical mail volumes are positive in most regions of the world despite increased competition, particularly from electronic communication services. Kenya is no exception. In response to the new business environment, the postal industry should exploit ICTs to develop new products and services that can harness the opportunities of cyberspace coupled with the extensive physical distributions capabilities.

There is no doubt that ICTs have opened new business horizons for the post. The operationalization of the *Kenya Communications (Amendment) Act 2009*, will also

further catapult e-commerce and by extension make the postal/courier sub-sector thrive.

We shall continue to enhance the collaborative atmosphere so that we can all reap from it. The government is prioritizing a national addressing system and this is a top agenda for an inter-ministerial committee that has recently been initiated. The beauty of it is that the benefits of the project will not only be realised by the postal/courier sector but also to the identification of citizens, revenue collection, management of our cities, provision of efficient rescue services, voters' registration, security services and easy the utility companies' work like electricity, water and telephones, and a host of other services.

Allow me to take this opportunity to congratulate Communications Commission of Kenya for facilitating this forum which I am positive will yield useful recommendations. Let me assure the postal/courier fraternity that the government will continue to support the development of this sub-sector so that it can play rightful role in bridging the digital divide. I know that with its vast network, the Postal/courier sub-sector is able to turnaround apparent adversity and challenges into opportunities for growth.

With those remarks, I wish you fruitful deliberations. It is now my pleasure to declare this 2010 National Postal/Courier Stakeholders' Forum officially opened.

Thank you for your attention.

APPENDIX III

Speech by Mrs. Jane Babsa – Nzibo Chairperson Courier Industry Association of Kenya at the 2nd Annual Postal/Courier Stake holders Forum at the Intercontinental Hotel 7th April 2010

Dr. Bitange Ndemo , Permanent Secretary, Ministry Of Information And Communication

Mr. Charles J.K. Njoroge, Director General Communication Commission Of Kenya

Major Gen. (Rtd) Ali Hussein, Post Master General, Postal Corporation Of Kenya

Mrs. Rhoda Masaviru, Secretary General, Papu

Amb. Bishar Hussein, Chairman Of The Council Of Administration Of U P U

Distinguished Guests

Ladies And Gentlemen

On behalf of the Courier Industry Association of Kenya (CIAK) I am honoured to be here at the 2nd Annual Postal/Courier Stakeholders Forum.

The number of attendees present at this Forum reiterates the need for continuous dialogue between the Operators and the Regulator.

CIAK would like to convey our appreciation to the Director General of CCK for facilitating this Forum for a 2nd Year running.

This goes to show that the Postal/Courier Sector is growing and is becoming a significant contributor to our countries Gross Domestic Product.

In the past year the number of Domestic/ Inter-city operators have increased by over 30% and in line with this years theme:

Embracing Technology in promotion of Door-to-Door Mail Delivery.

In order for us to be able to keep up with the changing environment in our Sector we must invest in track and trace to be able to provide real time Proof of Delivery for all consignments handled by the Postal/Courier Sector

The Domestic/Inter-City Segment is one of the fastest growing in the Courier Industry. This can easily be seen by the number of vehicles parked at the various street corners within the city especially by the Security and Bus Companies.

For the un-licensed operators CIAK will continue working with the CCK in ensuring that they operate within the regulators guidelines.

CIAK would like to thank Mr. Njoroge the Director General of CCK and his team for taking action against illegal Operators and advertising the names of all the Licensed Operators in the Various daily newspapers.

CIAK would also like to take this opportunity to acknowledge the commendable action taken by the Regulator in the passed 6 Months of closing down and taking to Court over 9 unlicensed Operators

CIAK commits to continue working closely with CCK in ensuring that the regulatory compliance is attained by all our Members.

We also call upon the regulator to enhance the frequency of their inspection

Attendance fee of 500 USD for the AFRALTI workshop for POSTAL/COURIER was found to be above the reach of over 95% of the Operators

CIAK and CCK will need to address the issue of undeliverable articles as the International Courier Operators all have different Network requirements regarding this

Universal access and service

Our members would like to seek clarification from CCK regarding the Additional Fee of 1% of Gross revenue

Discounted prices being notified to CCK and approved by the same

At this juncture I would like to call upon all the courier operators present here today to join the Courier Industry Association of Kenya for there is strength in numbers

THANK YOU

APPENDIX IV

REMARKS BY MR. CHARLES J. K. NJOROGE, DIRECTOR GENERAL, COMMUNICATIONS COMMISSION OF KENYA, AT THE 2010 ANNUAL POSTAL/COURIER STAKEHOLDERS' FORUM, 7TH APRIL 2010, HOTEL INTERCONTINENTAL, NAIROBI

Our Chief Guest, Dr. Bitange Ndemo, Permanent Secretary, Ministry of Information and Communications

Amb. Bishar Abdulrahman. Hussein, Chairman of Council of Administration, Universal Postal Union

Maj.General (Rtd) Hussein Ali, Postmaster General, Postal Corporation of Kenya

Madam Jane Babsa –Nzibo, Chairperson, Courier Industry Association of Kenya

CEOs of Courier Operators

Distinguished guests

Ladies and gentlemen

It gives me great pleasure to be here at the second edition of the National Postal and Courier stakeholders' forum in Kenya. It is particularly very exciting to note the level of interest this forum has continued to generate among licensees and other stakeholders alike. Allow me to welcome you all to this forum at which we intend to review recommendations made in first forum held last year and further deliberate on how we can further improve the postal and courier sub sector.

As we sit here today, we recognize that the success of postal and courier services is hinged among other things, on having in place, a good national addressing system that facilitates faster and more efficient delivery of postal/courier items. It is for this reason that the Commission selected the theme: *Enhancing the role of technology and promoting door-to door delivery in the postal/courier sector.*

According to the Commission on Legal Empowerment of the Poor , United Nations Development Programme (UNDP), *“Four billion people are excluded from the rule of law, as the lack of a legal identity often prevents them from enjoying their rights as citizens. Setting up an addressing system is the first step towards tackling that issue.”*

Ladies and gentlemen, addressing is not only about receiving mail at home, or direct marketers being able to reach their target audience, but it goes far beyond the

postal sector as a concern in both developing and industrialised countries. Addresses are one of the bases for national and international communication and trade. People need addresses to be recognised formally as members of their communities and take on the rights and obligations attached to their social role and access to national and international markets.

Numbering and naming of streets is an essential part of physical addressing that makes physical tracing easier. You will agree with me that any business prefers to transact with a customer whom they can easily trace, particularly one who has a clear physical address. On the other hand, only reliable addresses can guarantee quick and efficient handling of postal/courier articles. Couriers, postal authorities will easily and efficiently reach their customers with a well developed addressing system.

The Universal Postal Union (UPU) as the primary forum for cooperation between postal sector players is equally active in the field of addressing. The UPU has defined addressing standards, electronic addresses, physical addresses/postcodes and management of addressing information as critical indicators for a good addressing system.

Ladies and gentlemen, the basis of our discussions today is harnessing the contribution of all stakeholders in enhancing the developments within the sector. I believe that putting our minds together would help develop a more comprehensive solution which takes into account various perspectives.

This forum will also draw insights into the functions of various agencies that have impact on the process of transmission of postal or courier items. Their facilitation is what would create faster clearance of postal articles, guarantee the safety of such items and ultimately ensure that Kenya meets internationally set minimum delivery standards in mail service. There is no doubt that closer collaboration is necessary if we are to mitigate the challenges facing the sub-sector today, including infrastructure, addressing systems, safety, among others.

As we discuss about ICTs and their benefits to the sector, we must also look at building capacity through continuous training. Ours is equally a manpower intensive sub-sector and we cannot ignore the training component if we indeed want to provide the seamless services to consumers out there.

We have the opportunity to join in the global transformations which we can well achieve through a collaborative framework and recognizing the contribution of all

actors. It is an era where even competitors must work together to make use of each other's network and ultimately expanding the services throughout the country.

The Commission has and will continue to put the effort to improve compliance of players including bringing those unlicensed operators into the regulatory regime as a way of creating a level playing field.

We constantly undertake market inspections and in the process also determine the areas where improvement is needed. Recalling the commitments we collectively made at last year's forum, we must all be sure to maintain our vision to improve the quality of service; increase postal/courier traffic; diversify our services and make gains through use of technology. As it is spelt out in our theme today, door-to-door delivery is indeed a dream for many Kenyans for now, but I am optimistic that with continuous dialogue, this will soon become a reality.

CCK will continue to grant the platform for discussion, as we have now made this forum an annual undertaking. The Commission's vision is to see all Kenyans communicating effectively and at a lower cost. This can only be realised if we in the sector have meaningful discussions that work towards this direction.

Let me take this opportunity to thank all of you for accepting our invitation and the speakers for accepting to share their expert knowledge as the foundation for our discussions. I am certainly looking forward to the deliberations and also interacting with all of you further in the course of day at this forum.

Allow me to now welcome our Chief Guest, Dr. Bitange Ndemo, Permanent Secretary, Ministry of Information and Communications, to address us.

APPENDIX V

SPEECH BY THE POSTMASTER GENERAL OF THE POSTAL CORPORATION OF KENYA, MAJOR GENERAL (RTD) ALI M. HUSSEIN AT THE 2ND ANNUAL POSTAL/COURIER STAKEHOLDERS FORUM ON 7TH APRIL, 2010

The Guest of Honour

The Permanent Secretary Ministry of Information & Communications Dr. Bitange Ndemo

Secretary General of Pan African Postal Union, Mrs Rodah Masaviru

Chairman of the Council of Administration of the UPU, Amb. Bishar Hussein

Director General of Communications Commission of Kenya, Mr. Charles Njoroge

Chairperson of Courier Industry Association of Kenya, Ms Jane Babsa-Nzibo

Participants at this Forum.

Ladies and Gentlemen:

I am pleased to be here this morning for this important session that is set out to discuss various issues affecting the postal and courier services industry.

Our forum today is unique for the reason that its theme, 'Embracing technology in promotion of door-to-door mail delivery', indeed seeks to address a topic that is very important to our business.

The establishment of PCK was occasioned as a result of emerging market and economic trends which led the Universal Postal Union's

to engage in efforts of making the postal and courier service business worldwide more vibrant.

Ladies and Gentlemen:

For the last ten years we have witnessed a rapidly changing face of Posta following enhanced efforts towards creating and maintaining an infrastructure that is customer focused. The responsibility of providing access to basic and affordable communication services to the Kenyan people within the United Nations framework of Universal Service Obligations (USO) has compelled the corporation to come up with new business models that play a key role of provision of affordable services, even in areas that would otherwise be uneconomical for us to operate in.

As the designated national operator, PCK remains committed towards meeting the communications needs of our customers. The Universal service ideal championed by the UPU has therefore been a reality, as demonstrated by our vast network of over 800 outlets. Through this formidable infrastructure, we have constantly kept Kenyans in touch with the rest of the world via a global network of over 700,000 outlets.

It is not just the network that demonstrates our capacity to deliver. We have for the last ten years also been driven by the desire to offer affordable, efficient, secure and fast services. These are the values that have supported our delivery of a wide range of product offerings including mail, courier and financial services amongst others.

The advent of new technologies has been cited as a threat to traditional postal services, but at PCK we have chosen to look at it differently. We have indeed taken these developments as opportunities and have undertaken deliberate investments to enable us tap the benefits of improved service delivery by embracing technology through automation of a variety of services.

Ladies and Gentlemen:

As our first step forward towards the achievement of full customer satisfaction, we introduced the Posta Dispatch service in 2008 as a pick up and delivery service for corporate customers. This provides for door-to-door deliveries for various items and due to the element of automation in its operations, it has proved to be a much preferred product by our clientele.

With a complement of the Posta Parcel product which has also been improved to include online tracking, it has now been much easier for us to create more value to our customers in terms of affordability, security and reliability

Our courier arm, EMS Kenya serves over 220 local outlets and 3,000 international destinations. This being an expedited mail service requires optimum technological facilitation to ensure the required standards are achieved in terms of speed.

Posta is still undergoing rapid transformation at different levels with a focus on remaining a key player in the communications, distribution and financial services segments of the market. We look into the future with confidence and aim at becoming the leading postal service provider in Africa in delivery of superior product solutions and customer service.

We will continue improving our customer service standards by continuously investing in technology based solutions that add value to our services.

For the organizers of this session, I urge you to continue hosting such forums as they provide the avenue for stakeholders to share and exchange ideas about the dynamics of the postal/courier business.

Thank you.

APPENDIX VI

REMARKS OF THE COUNCIL OF ADMINISTRATION OF UPU CHAIRMAN TO THE 2010 NATIONAL POSTAL AND COURIER STAKEHOLDER'S FORUM-INTERCONTINENTAL HOTEL, 7TH APRIL 2010

Distinguished Delegates,
Ladies and Gentlemen.

It gives me great honour and pleasure to be part of this important Postal /Courier stake holders forum whose theme is “embracing technology in promotion of door to door mail delivery”

I wish to congratulate CCK for the initiative to bring together the Postal Industry players annually to discuss topical issues affecting the industry with the aim of improving the quality of postal service delivery to the citizens' of this country.

The UPU strongly support this kind of initiative within its member states and at sub-region and regional levels. This initiative is indeed at the center of the Universal Postal Union (UPU) Nairobi Postal Strategy adopted by the 24th UPU Congress. The theme of this forum is both current and very critical to the development of Postal industry in Kenya.

Addressing is one of the major topics currently under discussion within the UPU circles - more specifically under the Postal Operations Council (POC) and the Consultative Committee (CC) of the Universal Postal Union during the forthcoming POC session starting this coming Monday, 12th April 2010. The project group dealing with this topic will be advancing its work and I would urge Designated Postal Operator, PCK and the Regulator, CCK take particular interest in the work of this group.

Kenya has already implemented the post code system which enhances delivery of mail specific to the post offices. This was done in 1999. Kenya now needs to move to the next level which is to introduce door to door delivery system taking advantage of technology. The neighbouring country, Tanzania recently rolled out this program and joins South Africa which has moved ahead in the project. Other developing countries are following suit as well.

With the advent of fibre technology in Kenya, the country is able to move faster and adopt technology to enhance postal services delivery in hybrid mail, track and tracing, financial and agency services, Radio Frequency Identifiers and many others. There are also various versions of software that enhance efficiency in

logistics especially in the transport and delivery network on real time basis (GPRS for delivery teams).

Distinguished delegates, Ladies and Gentlemen, the postal industry is critical to the development in trade and services and therefore the economy. With the rapid development in the other sectors of the economy and given the dynamics in the market, we cannot be effective if we do not modernize our processes.

UPU has also come up with a top level internet domain the .post. This internet domain will enable the posts globally provide secure and proprietary addressing system that gives authenticity to material in the internet emanating from the posts to customers. I would urge the designated operator and the Regulator to take active participation in the development of this project with the aim of being among the first to take advantage of the potential of this revolutionary initiative.

I believe that Kenya can be a shining beacon in Africa. We need to set and maintain postal standards for the rest of the region and take our rightful place at the international level. Let me state that Kenya is already well respected at sub-regional, regional and international levels – both in International Telecommunications Union (ITU), Pan-African Postal Union (PAPU), and the UPU.

In conclusion, I wish to call on all the stake holders to take full advantage of this forum and continuously interact and exchange ideas so as to improve and make the sector vibrant and give the customer very good reasons to continue coming back.

I wish you successful deliberations.