



ANNUAL REPORT & FINANCIAL STATEMENT 2017

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ABOUT KEPSA

The Kenya Private Sector Alliance (KEPSA) is a limited liability membership organisation registered in 2003 as the apex body of private sector in Kenya

KEPSA is the private sector apex and umbrella body set up in 2003, to bring together business community in a single voice to engage and influence public policy for an enabling business environment. The Kenya Private Sector Alliance (KEPSA) is a limited liability membership organization.

With current membership of over 500,000 direct and indirect members organised through Business Membership Organizations and Corporate members, KEPSA is a key player in championing the interests of the Kenyan business community in trade, investment and industrial relations.

KEPSA's Vision is to be a world class private sector apex body. The primary Mission is to ensure year- on- year improvement in the overall business environment for Kenya by working together with the Government and other stakeholders.



KEPSA members and stakeholders during the KEPSA AGM dinner held on 27th April 2017 at Intercontinental Hotel

The Mission is driven by the organization's business strategy. The strategy's main objective is the pursuit of an enabling business environment over the next five years by ensuring a year-on-year improvement in three key global business rankings:

- ▶ Ease of Doing Business Index (World Bank)
- ▶ Global Competitiveness Index (World Economic Forum)
- ▶ Bribery Index (Transparency International)

KEPSA has played critical roles in business, economic and political reforms. Some of KEPSA's role in business reforms i.e. Public-Private Dialogues for business reforms (policy, legislative and institutional reforms) include: Presidential Round Tables (PRTs); Ministerial Stakeholder Forums (MSFs); Speaker's Round Table: both Senate and National Assembly; Council of Governors Round Table; Chief Justice Forum; and, Attorney General's forum.

On the economic and political reforms, KEPSA has participated in the Economic Recovery Strategy (2003); Private Sector Development Strategy (PSDS) (2006 – 2010); Vision 2030 & Medium Term Plans; Peace building initiatives particularly in the 2008 Post Election Violence through “Mkenya Daima” Campaign; Development of Constitution 2010; and, Engagement in the constitution implementation process.



KEPSA CEO Ms. Carole Kariuki during the KEPSA-KRA Consultation meeting on 2nd August 2017

THE ESTABLISHED ENGAGEMENT FORUMS



Presidential Roundtable (PRT) – an engagement with the Head of State on issues of national importance affecting the economy as well as those issues that require his direct intervention as Head of State. Implementation of the PRT resolutions and commitments are cascaded down to the respective implementing Ministries and other arms of government.

Ministerial Stakeholders Forums (MSFs) – Platform that brings together respective Ministries and KEPSA Sector Boards on quarterly basis (or as frequently as may be agreed) to address sector specific priority issues relating to policy, administrative and operational issues affecting them.

Speaker's Roundtable (SRT) – An annual engagement platform with the National Assembly and the Senate. The SRT facilitates joint review of legislative matters involving respective parliamentary Departmental Committees and the Private Sector.

Council of Governors Forum – a partnership with Governors that meets annually. The forum provides a platform of dialogue and stocktaking on devolution besides establishing mechanisms for better interaction and coordination between the Private Sector and Council of Governors.

Chief Justice Forum – forum aimed at improving the Commercial Justice process in a manner that ensures efficient resolution of Commercial and Industrial Relations Disputes as well as discuss other ways the Judiciary can facilitate an enabling business environment.

Platforms with selected state agencies – KEPSA meets with state agencies and departments e.g. Attorney General, Immigration, Kenya Revenue Authority (KRA), National Police Service Commission, Kenya Police Service, KPLC, ERC etc on specific business issues that require resolution by the respective departments.

Development Partners' Roundtable – this is an engagement that provides an opportunity for the private sector to inform and partner on the development agenda and priorities for the country's national development and private sector development.

Inter-Ministerial Forum – this is a forum that brings together various Ministries on cross-cutting business issues that require more than one Ministry to implement.

Regional Ministerial Forum – this is an engagement platform with the EAC Council of Ministers aimed at highlighting the issues to be forwarded to the Heads of State Summit to aid regional policy formulation and Northern Corridor Projects.

The Voice of Private Sector in Kenya

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BOARD OF DIRECTORS



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CHAIR | SCIENCE, TECHNOLOGY & INFORMATION



MS. RITA KAVASHE
VICE - CHAIR | INFRASTRUCTURE & DEVELOPMENT



AMB. DENNIS AWORI
KEPSA FOUNDATION AND ENERGY



MR. JASWINDER BEDI
EXPORTS AND TRADE TREATIES



MS. CATHERINE MUSAKALI
GOVERNANCE AND LEADERSHIP



MR. LI QIANG
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ENG. ERASTUS MWONGERA
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MEDIA AND SECURITY



MS. PATRICIA ITHAU
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MR. MUHOHO KENYATTA
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SOCIAL SECTORS AND DEVELOPMENT



MS. LUCY KARUME
TOURISM AND ENVIRONMENT



MR. ISAAC OKERO
JUDICIAL AND PROFESSIONAL MATTERS



MR. GRAHAM SHAW
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MS. FLORA MUTAHI
LOCAL INVESTMENTS



MS. CAROLE KARIUKI
BOARD SECRETARY

GOVERNING COUNCIL SECTOR CHAIRS



CHRISTOPHER WILSON
AGRICULTURE, LIVESTOCK AND FISHERIES



GLORIA NDEKEI
DEVOLUTION & PLANNING



GEORGE OWOUR
EAST AFRICAN COMMUNITY AND AFFAIRS



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EDUCATION – BASIC



PROF. MABEL IMBUGA
EDUCATION – TERTIARY



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DUNCAN KIMANI
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DR. AMIT THAKKER
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PHYLLIS WAKIAGA
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ICT



V GIKONYO GITONGA
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DR. HABIL OLAKA
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SILVANUS SEWE
SECURITY



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SPORTS, CULTURE & ARTS



EVA MURAYA
GENDER & YOUTH



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MOHAMMED HERSI
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HILLARY ONAMI
DEVOLUTION & PLANNING



SOPHIE ONYANGO
EAST AFRICAN COMMUNITY AND AFFAIRS



WAIRIMU NJAGE
EDUCATION – BASIC



VINCENT GAITHO
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MRS. ANNE MUTAHI



DR. VIMAL SHAH



DR. JOE WANJUI



MS. GLORIA NDEKEI



MR. JOHN NGUMI



MR. SAMUEL MWALE



MR. WALTER OOKOK



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MR. PATRICK OBATH



MR. MIKE ELDON



ARCH. LEE KARURI



AMB. DENNIS AWORI



MR. JASWINDER BEDI



MS. FELICITY BIRIRI



MR. KARANJA KABAGE



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MR. KEN WATHOME

TRUSTEES



ARCH. LEE KARURI
CHAIRMAN



ENG. PATRICK OBATH
VICE -CHAIRMAN



MS. GLORIA NDEKEI
TREASURER



MS. CAROLE KARIUKI
SECRETARY



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TRUSTEE



DR. JOE WANJUI
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MR. BILL LAY
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MR. ARUN DEVANI
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MR. KARANJA KABAGE
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MR. KELI KIILU
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MR. SAM MWALE
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MS. FELICITY BIRIRI
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DR. VIMAL SHAH
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MR. NICHOLAS NESBITT
TRUSTEE

KEPSA TEAM



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CEO



MS. RACHAEL MUTHOGA
DEPUTY CEO



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OPERATIONS MANAGER



MS. PASCALINA KAGUNDA
HEAD, MEMBERSHIP & COMMUNICATION



MS. AGATHA JUMA
HEAD, PUBLIC PRIVATE DIALOGUE



MR. VICTOR OGALO
HEAD, POLICY AND RESEARCH ANALYSIS



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KEPSA FOUNDATION ADMINISTRATOR



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FINANCE MANAGER



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INVESTMENT OFFICER



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PPD MANAGER



MS. WAHU KAGWI
KEPSA FOUNDATION MANAGER



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SENIOR PPD OFFICER



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MS. JOY WAIRIMU
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MR. SILAS RONO
MEMBERSHIP INTERN



MS. SOPHIE WAMALWA
HR & EXECUTIVE OFFICER



MS. SUSAN NGANGA
ADVOCACY ASSISTANT



MS. SUSSY WANJALA
SIB CONTENT MANAGER



MS. VALERIE AKINYI
COMMUNICATIONS ASSISTANT

NOTICE OF AGM

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Kenya Private Sector Alliance Limited will be held on the 14th day of June, 2018 at Intercontinental Hotel, Nairobi at 7.30 a.m. when the following will be transacted namely:

AGENDA

1. CONSTITUTION OF MEETING

To read the notice convening the meeting and determine if a quorum is present.

2. ORDINARY BUSINESS

a. Report of the Chairman.

To receive and consider the Report of the Chairman for the year ended 2017 (Resolution 1).

b. Report of the Auditors

Read the Auditors Report on the Financial Statements for the year ended 2017 (Resolution 2).

c. Report and Financial Statements for the years ended 2017

To receive and consider the Financial Statements for the year ended 2017 (Resolution 3).

d. Appointment of Auditors

To appoint Auditors for the Company until the conclusion of the next Annual General Meeting (Resolution 4).

To authorise the directors to fix the remuneration of the auditors (Resolution 5).

e. Appointment and Retirement of Company Secretary


To accept the resignation of Anastacia Kioko Mululu as the Company's Secretary and appoint a new Company Secretary in her place (Resolution 6).

3. ANY OTHER BUSINESS

To transact any other business that may be legally transacted at an Annual General Meeting.

DATED at Nairobi this 22nd day of May 2018

By order of the Board:



SECRETARY

CHAIRMAN'S MESSAGE



KEPSA as the apex body of the private sector in Kenya continues to play critical role in driving the country's development agenda through policy dialogue with the government; driven by the Board of Directors and The Governing Council. Leveraging its convening power, some of the various public private dialogue platforms that the organisation has engaged government include the Presidential Roundtable, Ministerial Stakeholder Forums, meetings with regulatory state agencies and meetings with various parliamentary committees. These relationships have informed policy and legislative reforms in the country.

The year 2017 was one of mixed fortunes, the prolonged electioneering season and accompanying economic limbo frustrated many businesses. Furthermore, the threat of political violence dulled local business activities even as foreign investors adopted a prudent "wait and see" attitude, characteristic of business decisions during election years in Kenya. However, it was also a test of our resilience as the private sector, a litmus test that solidified our reputation as one of the strongest private sector actors on the continent.

The country's macroeconomic fundamentals remain stable and the country is expected to shake off the "post – election blues", with the World Bank projecting economic growth of 5.8% in 2018 and 6.1% in 2019, riding on investments in infrastructure as well as the resurgence of the tourism sector. The business community through Mkenya Daima Initiative became the voice of reason and trusted broker that prevailed upon the Kenyan wananchi, politicians and government institutions to exercise their mandates peacefully and observe rule of law during the election period.

2017 marked the end of KEPSA's 5-year strategic outlook, the National Business Agenda II (NBAII). The NBA II's intent was to lay the foundation for Kenya ready for take-off to become a continental economic powerhouse, These NBA II had five key thematic areas

1. Improving Governance and the Business Regulatory Environment
2. Upgrading Security
3. Infrastructure Development
4. Enhancing Trade and Investment
5. Promoting Human Capital Development and Entrepreneurship

The NBA-II enabled us to achieve much in terms of business environment reforms, inward investments, economic growth, infrastructural development, women and youth empowerment, peace and security, human capital development especially with renewed focus on TIVETs, and our global ranking on several important economic indices have all improved. The country enacted crucial legislation in making Kenya an attractive foreign investment destination. These include the Insolvency Act, Business Registration Act and the Companies Amendment Act.

EYES ON THE FUTURE

Therefore, in terms of strategic direction, KEPSA is transitioning from the NBA II to the NBA III which is the first phase of the Simba Era, KEPSA's 15-year-old strategic outlook. The Simba era will mark a 15-year period of intense economic growth as the private sector actively drives Kenya's development in concert with Vision 2030, the development blueprint of the Kenyan government. Taking up from the solid foundation laid out by NBA II, the focus for NBA III will be improving the business environment using the following three global indices:



KEPSA Press conference on State of Economy held on
2nd October 2017

1. World Bank's Doing Business Index (DBI),
2. The World Economic Forum's Global Competitiveness Index (GCI)
3. Transparency International's Corruption Perception Index (CPI)

On the DBI, the ambition was to move Kenya from number 136 in 2014 to top 50 by 2020. In the World Bank Group DBI, Kenya's position as a preferred place to do business improved substantially in the last three years. As of 2018 we are at position 80 from position 92 and have been the 3rd most improved country in the last two years. In the World Economic Forum GCI, we improved from position 96 to 91.

While businesses seek to maximize the intervention in these two strategy documents, they must be alive to global events that have potentially disruptive consequences at national level. One such area is the role of data in business. Businesses operations and business decisions are increasingly being driven by data, with big data analytics becoming increasingly important to business operations. Data analytics has the potential to change advertising and marketing, improve customers service efficiency, optimise supply chain management and maximise customer value to name a few. Furthermore, embracing ICT processes such as cloud computing reduces business overheads while making business operations more efficient, through gains made by interconnectedness and information sharing.

The flipside of these developments is that by leveraging online platforms and the positive externalities of ICT, businesses become increasingly vulnerable to cybercrimes such as hacking, fraud (internet and ATM), information piracy and identity theft to name a few. Firms must be constantly vigilant, staying up to date with technological advancements that enhance their online systems security.

For manufacturing firms, it is exciting times ahead as technological advancements in automation and Artificial Intelligence globally disrupt the traditional manufacturing models. Kenyan manufacturing firms must find a way to strike a balance between consequences of replacing human labour with automation, resulting in job loss on one hand and maintaining globally competitive costs of production.

Lastly, the private sector is best equipped to drive innovation, pursuing new frontiers that have the potential to increase productivity and improve service delivery. The government has identified four priority sectors (the big 4) namely; manufacturing, housing, healthcare and food security. Businesses that can offer cost effective and high quality solutions positioned within or supporting these sectors will maximize their profits while addressing priority developmental concerns of the Kenyan government. The private sector should explore all possibilities of collaboration with government that lead to these win-win scenarios. As a driver of innovation, the private sector should explore use of technology driven innovation such as blockchain technology in reducing cost of business while improving service delivery.

As the country settles in a post-election calm, the Kenyan economic is bullish, the future holds enormous potential and private sector should capitalise on this. These are exciting times ahead and Kenyan businesses must think strategically; identifying opportunities and partnerships that will allow them to thrive and remain globally competitive.

NICHOLAS NESBITT
Chairman
Kenya Private Sector Alliance

FOREWORD FROM CEO



A year ago when we held the AGM in April 2017, as the private sector we were aware that being an election year, it will not be business as usual. But we remained optimistic that the country having gone through relatively smooth elections in 2013, maybe there was not much to worry about from a private sector perspective.

As an Organisation we had a great year of influencing the business environment both hard and soft side. The investor appetite for Kenya was growing by the day and as an Organisation, we had made imprints beyond the borders, regionally and globally. KEPSA has become a household name for governments and businesses globally to engage on matters private sector. Our membership has also grown tremendously and internally our staff too.

By the end of the first quarter of 2017, the economy was not doing that well due to a drought that was beginning to bite, reduction of credit for private sector as an effect of the bank interest rate capping and of course the usual slowdown of major activities as the election fever began to hit gearing to the August general elections.

“ We look forward to deepened engagement with all arms of government in policy and decision making processes...”

What none of us could predict is how the elections, two in one year within two months, highly contested, prolonged drought and private sector credit crunch would impact private sector activity and the economy that we have worked hard to grow as a private sector led economy. But our strength as business ensured the economy would not ground to a halt. The SME sector, the tourism sector beyond any other sector sustained the economy during the last 6 months of 2017.

Internally, our activities were not as many as we usually have each year; many of our partners adopted a 'wait for elections to end attitude' and of course our largest partner in creating an enabling business environment, the government had to focus on elections. We did our best as you can see from the summary in the report but we too had to focus on the political stability of the country – a big factor in an enabling business environment which we did under the KEPSA foundation through the Mkenya Daima initiative as covered in that section of the report.



H.E President Uhuru Kenyatta addressing KEPSA members and Government officials during a follow up meeting of the 8th Presidential RoundTable Forum held on 18th May 2018 at State House Nairobi

This wasn't an easy time for us in management and KEPSA leadership and we know our politics are not the most gentle, but I take this opportunity to really thank the team in KEPSA and you the members for staying focused and united. Unlike other sectors of the economy in the heat of lots of negative and wrong branding elections, you kept the Organisation moving forward and our membership grew unlike during other election years as you will see in the membership section.

The year 2018 has begun with lots of optimism and lots of work on different fronts. Our membership is growing, and we have begun engagements from the highest level of government; the Presidential Roundtable (2 in a week) focused on the Big 4 Agenda drawn from Vision 2030. We look forward to deepened engagement with all arms of government in policy and decision making processes, including on tough issues like corruption that affect business.

KEPSA's role continues to be recognized globally from being the only institution representing business from Africa in such forums as the Roundtable with British PM Theresa May during the Commonwealth Business Forum held in London in April 2018, to WTO Trade Dialogues held this month; and playing a central role during the launch of the Africa Continental Free Trade Area and hosting large foreign investment delegations already flocking the country once again.

It is going to be a great year and we cannot do it without you our members. We look forward to each of you rolling the sleeves with us from company, association, sector board, ministerial, round tables, business investment fora, imputing into policies and strategies and together let's make Kenya exploit its strategic location, lead sustainable development and become the lead economy in Africa and beyond.

"The power of Kenya's success lies in pulling together and in pulling one's weight".

PUBLIC PRIVATE DIALOGUE: MILESTONES IN ENGAGEMENT



H.E. President Uhuru Kenyatta poses for a group photo with KEPSA members during the Presidential RoundTable Forum held on 5th June 2017 at State House, Nairobi

PRESIDENTIAL ROUNDTABLE (PRT)

We held four Presidential RoundTable Forums in the period 2017-2018.

The first one was held on 5th June 2017 to discuss the progress made in the last four years under the leadership of H.E. the President Hon. Uhuru Kenyatta as the Chair of the PRT. The meeting provided a platform for the President to share his manifesto and his expectations of the business leaders. The RoundTable also allowed the business leaders to share business agenda they would like to be included in the manifesto for the next five years.



The second RoundTable 2017 was held on 11th September 2017 where the president had invited the private sector to discuss the economic performance of the country during the electioneering period. Further, KEPSA presented its input into the 3rd Medium-Term Plan with over 80 suggestions regarding the MTP-3 to the coordinating ministries and a consolidated submission was presented to the President for his review and consideration.

In 2018, we held a PRT on 10th May whose focus was on the Big 4 Agenda- Manufacturing pillar and the interventions required to unlock private sector participation. This was the first PRT convened after the President assumed Office for his second term (2018 – 2022); therefore, it was crucial for the private sector to align its Business Agenda with the Government Agenda to enhance collaboration towards common goals over the five years.

A follow up meeting was held on 18th May 2018 to update on the progress made on the agreed actions for the manufacturing pillar during the 8th Presidential Roundtable.

MINISTERIAL STAKEHOLDER FORUM (MSF)

In the last year, KEPSA held the following MSFS:

MINISTRY OF DEVOLUTION AND PLANNING



Nyeri Region on county consultations forum on County Own Resource Revenue held on 22nd August 2017

The Ministry of Devolution and Planning met twice with the private sector in 2017 and recorded the following outcomes:

1. Finalization and launch of Devolution Policy on Devolved Governance.
2. Presentation of Kenya First Voluntary National Review report (VNR) on Sustainable Development Goals (SDGs) Implementation with Private Sector Input.
3. Launch of the Devolution Portal.
4. Five County Consultations on County Own Source Revenue Enhancement Policy and County Governments (Revenue Raising Regulation Process) Draft Bill 2017 (Kisumu, Mombasa, Nairobi, Nyeri and Nakuru)
5. Submission of Private Sector Proposals into the development of the Country's Third Medium Term (MTPIII).
6. Awareness creation on SDGs to private Sector members in collaboration with 'Serano Africa' and Ministry of Devolution and Planning.
7. KEPSA presented private sector perspectives on devolution during the Inaugural Senate Induction Meeting.
8. Validation of the Commission of Revenue Allocation Strategic plan (2017/18 – 2022)

MINISTRY OF EDUCATION



KEPSA Education Sector Board meeting with TVET Principal Secretary held on 4th May 2018

The State Department of Vocational and Technical Training under the Ministry of Education, met with private sector in May 2018 to discuss training as an enabler for the big 4 agenda. KEPSA will partner with the Ministry on human skills development in particular, promotion of the competency based education and training, collaboration of TVETs with industry using the triple helix model, promotion of innovation and enhancement of inter-associations to enhance TVET funding.

MINISTRY OF ENVIRONMENT AND NATURAL RESOURCES; & MINISTRY OF WATER AND IRRIGATION



The Ministry of Environment and Natural Resources along with Ministry of Water and Irrigation Ministerial Stakeholder Forum (MSF) with KEPSA on 11th July 2017

The Ministry of Environment and Natural Resources along with Ministry of Water and Irrigation held one meeting with KEPSA in 2017. Below are some of the recorded achievements:

1. Review of the NEMA and IEA fees for projects.
2. Launch of the National Climate Change Action Plan (2018-2022) Taskforce where KEPSA is a member.
3. Kick-off of the National Climate Adaptation Coordination Committee where KEPSA is a member of the Technical Committee.

4. Development of the first Member of the first National Voluntary Report on SDG 6 Monitoring and Reporting.
5. Members training on industrial symbiosis waste management in partnership with Kenya National Clean Production Centre.
6. Collaboration with the Delegation on German Industry and Commerce on Waste Management Workshop and Environment Conference and the Kenya- German Water Week.
7. Round Table with the Embassy of Netherlands on Plastic Waste Management.

MINISTRY OF SPORTS AND HERITAGE

The Sports and Heritage Ministerial Stakeholders' Forum was held on May 2018. The main agenda of the MSF was to develop the country's Sports strategic plan and address the ease of doing business in the creative industry by making the process of acquiring licenses easy.

MINISTRY OF GENDER, YOUTH AND PUBLIC SERVICE

The Ministry of Gender, Youth and Public Service held one meeting in 2017 and recoded the following outcomes:

1. The Sector board was working on a supplier inclusivity program that envisages to build the business capacity and increase market share of women owned businesses.
2. The State Department of Gender Affairs in collaboration with KEPSA and facilitated by UN Women developed a database of women in top management from both Public and Private Sectors for a baseline survey report.

MINISTRY OF INTERIOR AND COORDINATION OF NATIONAL GOVERNMENT

KEPSA and Ministry of Interior and Coordination of National Government held a meeting in May 2018 and agreed to work together on the following:

1. LEGAL FRAMEWORKS:

- ▶ Disaster Risk Management Bill - The ministry agreed to oversee how this legislation will be harmonised by bringing all the concerned stakeholders together.
- ▶ Cyber and Computer Related Offensive Bill- Private Sector requested the Ministry to facilitate the enactment of this bill



KEPSA Security Ministerial Stakeholder Forum held on 2nd May 2018

- ▶ Development of CCTV Policy - Private sector had contributed in the development of the CCTV policy and requested the Ministry to have a framework in place for this policy

2. THE ROLE OF PRIVATE SECTOR IN ACHIEVING BIG 4 AGENDA

World Internal Security and Police Index – A joint Committee will be held between the Ministry and private sector to discuss ways of improving WISPI Index.

MINISTRY OF DEFENCE



KEPSA Ministry of Defence meeting on the Big 4 Agenda held on 3rd May 2018 at KEPSA Offices

KEPSA and Ministry of Defence held a meeting in May 2018. The meeting was a result of presidential directive that all ministries and stakeholders engage with KEPSA on the National Business Agenda III (NBA III) which mainly focuses on the Big Four (4) Agenda. The meeting agreed to form a working committee to come up with a structure that will inform an MOU on partnerships in the following areas: Manufacturing, Food Security and Agro-Processing, Universal Healthcare and Affordable Housing.

MINISTRY OF ICT



KEPSA ICT Ministerial Stakeholder Forum held on 3rd May 2018

The Ministry of ICT held two MSF meetings, one in 2017 and another in 2018 and recorded the following outcomes:

1. Implementation of the Ajira Project.
2. Implementation and expansion of the Presidential Digital Talent Programme to create HR in ICT.
3. Development of the ICT Master Plan.
4. Development of National Broadband Spectrum Connectivity Policy.
5. The Computer and Cyber Crime Bill act 2017- Assented
6. Integrate a population registry to consolidate citizen data onto one platform.
7. Establish norms by which operators will carry out their businesses.
8. Push for local content and opportunities to enable economies of scale and local manufacturing.
9. Role of technology through jobs and employment to enable employees connect to opportunities and employers.

MINISTRY OF MINING



KEPSA Mining Ministerial Stakeholder Forum held on 10th October 2017

KEPSA and the Ministry of Mining held one meeting in 2017 and agreed that KEPSA and the Ministry of Mining will work jointly in identifying errors, omissions and gaps in the Mining Act and the Regulations.

MINISTRY OF ENERGY AND PETROLEUM



KEPSA Energy Ministerial and Petroleum Ministerial Stakeholder Forum held on 6th June 2017

KEPSA and the Ministry of Energy and petroleum held two meetings in 2017 and recorded the following outcomes:

1. KEPSA and the Ministry of Energy and Petroleum formed a joint committee that will work to finalize the draft framework on Bioenergy Development to ensure sustainable development in the sector.
2. The Taskforce on Review of Independent Power Producers (IPPs) Power Purchase Agreements finalized the report but it is yet to be officially shared.
3. Implementation of Time of Use Tariff effective December 2017 industrial /commercial use of electricity.

MINISTRY OF LANDS AND PHYSICAL PLANNING



KEPSA Lands and Physical Planning Ministerial Stakeholder Forum held on 4th May 2018 at Ardhi House

The Ministry of Lands and Physical Planning held a Ministerial Stakeholder Forum in April 2018 and the following were the outcomes of the meeting:

1. KEPSA will work together with the ministry in the digitalization of the land registry.
2. The ministry will work on the supportive ecosystem that will ease the land processes.
3. Tracking of the enabling legislation towards achieving affordable housing for example section property (Draft) Bill 2018.
4. The ministry and private sector will work jointly in developing development master plans in the target towns.

STATE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT



State department of Housing and Urban Development Ministerial Stakeholder Forum held o 4th May 2018

The State department of Housing and Urban Development held a meeting in April 2018. The agreed outcomes were:

1. Demand based master planning of cities and urban areas which will focus on mapping, land use plan, spatial planning and integrated planning.
2. Provision of critical infrastructure by government to unlock land for development through development of roads, sewer system, water and electricity.
3. Zero rating of building materials for use in construction of Affordable housing.

MINISTRY OF AGRICULTURE AND IRRIGATION



KEPSA Agriculture, Livestock & Fisheries Ministerial Stakeholder Forum held on 4th May 2018

The Ministry of Agriculture & Irrigation and KEPSA held three meetings in April and May, 2018. The outcomes of the meetings were:

1. KEPSA and the Ministry of Agriculture & Irrigation to form a joint committee that will work to finalize the Agriculture Policy. The committee will come up with clear modalities for policy and strategy development, harmonization of sector laws and regulations, involvement of private sector and depository office for drafts and final versions with open and free access.
2. The Ministry will strengthen regulatory bodies and agencies capacity to enforce standards by improved resource allocation to Kenya Plant Health Inspectorate Services (KEPHIS), Pest Control Products Board (PCPB), Kenya Dairy Board (KDB) and Kenya Veterinary Board (KVB).
3. The Ministry will encourage self-regulation by the private sector to supplement government efforts. In this regard the Ministry will fast track and support Private sector accreditation for potato seed certification as well as issue direction on the lead agency to implement the horticultural traceability system

4. The Ministry and private sector will work jointly in designing specific gunny bags for potatoes (50kg) and work with AFA to develop and implement regulation on packaging
5. The Ministry will consider private sector proposals on zero rating VAT on vegetable seed, Drip Irrigation Kits and specialty fertilizer
6. The Ministry will invite private sector to participate in the roll out of farmer registration exercise.

MEETINGS WITH SELECTED STATE AGENCIES

In addition to Ministerial Stakeholder Forums, Sector Boards engaged with the following state agencies:

KENYA POWER AND LIGHTING COMPANY



KEPSA Energy and Extractive sector board meeting with KPLC on 7th July 2017

KEPSA Energy and Extractive sector board held a meeting with Kenya Power and Lighting Company in July 2017.

Key issues the energy and extractive sector board members wanted addressed include;

1. The business disruptions and associated costs due to high number and lengthy duration of power outages.
2. Lengthy time taken to get electricity connection.
3. Meter integrity and working methods.

KPLC reported the following ongoing remedial measures;

1. The grid development and maintenance plan which ensures that power lines are regularly maintained should not wait until there is a break down;
2. Construction of dedicated/Alternative lines to premium customers (194 lines out of 200) targeted completed to ensure power is not disrupted during maintenance or during break down.

3. Construction of 36 additional substations at a cost of Ksh.12.6 billion across the country.

Other measures to address power outages include:

1. Scale up adoption of modern technologies to shorten response time.
2. Maintenance of top 40 problematic feeders and substations in each region.
3. Focused maintenance on hotspot areas.
4. Reinforcement of overload circuits & transformers and deployment of rapid response team.

RURAL ELECTRIFICATION AUTHORITY (REA)

KEPSA held a meeting with REA on August 2017 to sensitise the private sector on REA's scope of work and explore areas of collaboration and partnership. The institution, which is mandated to accelerate rural electrification in the country has achieved the following:

1. Electrification of public facilities;
2. Electrification in partnership with counties;
3. Promotion and Development of Renewable Energy including: Lighting up informal settlements; Solar PV systems; Wind, Biogas & Mini-Hydro's projects; AKON Lighting Africa LTD Project, among others;
4. Turkwel Loki char projects, a Vision 2030 project launched in July, 2017 with an aim of supplying electricity to the oil-producing area and opening up the area to economic development;



KEPSA meeting with Rural Electrification Authority 4th August 2017

5. Setting up of isolated diesel stations: establishment 20 isolated diesel generators through an affirmative action to provide electricity in various towns in the north and coastal parts of the country;
6. Extension of power lines to towns with diesel stations to other 79 towns within distances of up to 50 kilometres in the off-grid areas at a cost of Ksh 1.9 Billion;

Ongoing projects include:

1. Implementation of Hybrid Solar stations;
2. Installation of Transformers;
3. Development partner's projects update;
4. Implementation of a 50MW solar power generation plant in Garissa for connection to the grid at an estimated cost of US\$.135.78million;

One of the major challenges faced by REA is the acquisition of wayleaves. KEPSA has been involved in the Land Value Index Bill and this will go a long way in streamlining acquisition of securing critical infrastructure. Other potential areas of strategic engagement with KEPSA identified included:

1. Community sensitization Programmes
2. Corporate Social Responsibility Initiatives
3. Research and Development Collaboration initiatives

ENERGY REGULATORY COMMISSION (ERC)



KEPSA Energy Sector Board meeting with Energy Regulatory Commission (ERC) held on 2nd June 2017

KEPSA held a meeting with ERC in June 2017, as part of an ongoing partnership between the two organisations. The discussions touched on progress of implementation of Kenya Energy sector institutional Framework. These include:

1. Net metering regulations which will address the engagement between private players and the off-taker will be finalized once the Energy Bill and policy are enacted.
2. There is poor maturation of Expressions of interest (EOIs) Feed in Tariff Process despite many applications being made with few making it to the implementation stage.
3. On power demand projection and current energy mix it was reported that:

- ▶ As at end of April 2017 the installed generation capacity stands at 2,333MW while the total effective capacity is 2,254MW.
- ▶ The effective interconnected capacity is 2,236MW.
- ▶ Peak demand is 1,640MW recorded on 6th December, 2016.
- ▶ Effective capacity, hydropower plants and geothermal power plants contribute 35.4% and 28.6%, respectively.
- ▶ Fossil thermal power plants- 33.8%, Wind -1.1%, Biomass including cogeneration (1.0%)
- ▶ Off grid power (0.8%)

KENYA CIVIL AVIATION AUTHORITY (KCAA)

KEPSA held a meeting with KCAA to discuss fast tracking of regulations touching on licensing of RPAS for private, commercial and recreation use. The regulations were gazetted in December 2017.

NATIONAL SPORTS FUND (NSF)

The Sports, Culture and Arts Sector Board held a meeting with the National Sports Fund in 2017 to identify areas of synergy and collaboration in sports and recreation development and to familiarise the private sector with the activities of the national sports fund.



KEPSA- Sports and Culture Sector Board meeting with National Sports Fund held on 8th November 2017

The NSF is mandated to mobilise fund for sports and recreational programmes. The institution is mandated to oversee the training of technical sports personnel to ensure sports programmes in Kenya are globally competitive. KEPSA and the NSF explored the possibility of collaborating in organising the first Sports and Health Expo that is scheduled to take place later in the year.

KENYA RAILWAYS AND KENYA REVENUE AUTHORITY – EMBAKASI (INLAND CONTAINER DEPOT) EFFICIENCY



Kenya Railways MD Mr. Atanas Maina during the KEPSA- KR-KRA Consultation meeting held on 2nd August 2017

Kenya Revenue Authority (KRA) and Kenya Railways (KR) held a meeting with the private sector to discuss ways of improving operations of the Inland Container Depot and also to encourage private sector usage of the facility based in Embakasi Nairobi. This was the first in an intended series of forums that will aim to improve trade facilitation at a national and regional level. This also ties in with the Trading across Border' Indicator under the World Bank Ease of Doing Business Indicators. The government highlighted the different areas it is working on to improve efficiency which include;

1. Installation of new cranes by the Kenya Ports Authority to handle containers and increase efficiency at the port of Mombasa ensuring faster turnaround time.

2. Three roads connecting the ICD to Thika Highway, Southern pass and Industrial area are currently under construction. These will improve last mile connectivity of cargo to the industries.
3. Use of smart gates integration and installation of five new scanners to address exports and non-compliant cargo.

KRA has also seconded senior staffs to the ICD in order facilitate cargo clearance. In addition, it has already vetted and approved 160 Authorized Economic Operates (AEO).

KENYA AIRPORTS AUTHORITY

The Kenya Airports authority (KAA) Managing Director Jonny Andersen held a meeting with KEPSA and the KEPSA Transport and Infrastructure Sector Board to discuss the measures it has placed in order to improve the competitiveness of Kenya Airports. These include:

- a) Ongoing re-organization of parking and drive off points to comply with the standards acceptable for Kenya- US direct flights. (Last Point of Departure);
- b) Continuous consultation with key service providers in the Cargo export in order to effect the 24-hour economy direction. These agencies include: Kenya Revenue Authority, Kenya Airport Authority, KEPHIS, Port Health and even Clearing Agents involved in Cargo clearance;
- c) KAA is developing a Policy and Regulations on allocation of spaces and hangars at major Airports. Two main considerations in allocation of spaces are, Commercial venture to serve other operators and individual operators needs based on capacity.
- d) The re-opening of the Airport South Road will take longer because new security features have to be installed as it cuts across the planes' flight path.

KEPSA AGRICULTURE, LIVESTOCK AND FISHERIES SECTOR BOARD ENGAGEMENT

KEPSA Agriculture, Livestock and Fisheries sector board held a meeting with various government agencies on 25th January 2018. The agencies included the Agriculture and Food Authority (AFA), Pest Control Products Board (PCPB), Kenya Plant Health Inspectorate Services (KEPHIS) and Kenya Bureau of Standards (KEBS). The objective of the meeting was to help members familiarize themselves with State Agencies operations and set a framework engagement and collaboration.

Key issues discussed included administration of the Crops Act 2013, and the AFA Act 2016, finalization of crop regulations, research priorities for agriculture sector, enhancing local standards and quality assurance on products, addressing counterfeits, processing and issuing import/export permits, development of a national traceability system, promotion of products diversification for international and local markets, development of market infrastructure - produce handling facilities (collection centers, pack houses, cold rooms etc).

ENGAGEMENTS WITH NATIONAL ASSEMBLY

MEETING WITH PARLIAMENTARY DEPARTMENTAL COMMITTEES ON ENVIRONMENT, WATER AND NATURAL RESOURCES



The KEPSA Environment, Water and Natural Resources Sector Board held a meeting with the National Assembly Parliament Departmental Committee on Environment and Natural Resources on 22nd March 2018.

The objective of the meeting was to set a framework for joint engagement for legislation formulation of the sector for a favorable business environment.

Issues of focus included:

1. Deforestation and need to increase forest cover;
2. Promotion of alternative sources of energy;
3. Alignment with SDG 13 on climate change;
4. Alternatives for plastic ban;
5. Waste management;
6. Protection of water catchment areas,
7. Need to recycle water,
8. Water harvesting,

9. Role of NEMA in regulation,
10. Capacity enhancement including funding,
11. Need for collaboration to improve the Arid and Semi-Arid Lands,
12. Legislative Review of Environmental Management, Coordination Act (EMCA); and
13. Technological innovations' for safeguarding the environment.

The two committee's will work together to jointly draw a legislative agenda and strategy to effect a significant sustainable environment management legacy for the country.

MEETING WITH PARLIAMENTARY DEPARTMENTAL COMMITTEE FOR TRANSPORT PUBLIC WORKS AND HOUSING



The KEPSA Transport and Infrastructure sector board held a meeting with the National Assembly Parliament Departmental Committee on Transport, Public Works and Housing. The main objective of the meeting was to establish a working relationship for legislating laws that will be favourable to business environment. The meeting focused on the following issues:

1. NAMATA Bill 2015 that is supposed to establish the Nairobi Metropolitan Area Transport Authority;
2. Urban Areas and Cities Amendment Bill 2018;
3. Adoption of the National Building regulation 2012 to replace the Building Code;
4. Introduction of new charges for air navigation service and regulatory fees;
5. Introduction of regulatory fees for Remotely Piloted Aircraft System (RPAS). In both cases there was no public participation on financial matters;
6. Fast track Motor Vehicle Inspection regulation; and
7. Built Environment Professionals Bill 2017.

ENGAGEMENT WITH THE JUDICIARY



During the 2017 Chief Justice Forum participants in the forum discussed institutional preparedness of the judiciary, in anticipation of electoral disputes and petitions arising from the 2017 General Election.

ENGAGEMENT WITH THE COUNCIL OF GOVERNORS FORUM (COG)

This is a partnership with Governors that meets annually to provide a platform of dialogue and stocktaking on devolution besides establishing mechanisms for better interaction and coordination between the Private Sector and Council of Governors.

THE 5TH ANNUAL DEVOLUTION CONFERENCE



KEPSA, as a member of the multi stakeholder steering committee participated in the pre-events as well as the Fifth Annual Devolution Conference that took place from 23rd to 27th May 2018 in Kakamega County. The overarching theme and objectives of the conference were, “Sustainable, productivity, effective and efficient government for result delivery”. The Fifth Annual Devolution Conference took a sectorial approach aligned to the President's Big 4 agenda on universal healthcare, agriculture (food security), affordable housing and manufacturing.

The joint agreement of the 5th Annual Devolution Conference (Joint Communiqué) assigned KEPSA the following key roles:

- ▶ KEPSA to work with national and county governments to harmonise regulatory frameworks to improve the ease of doing business in the country.
- ▶ KEPSA to strengthen and provide linkages to small, micro and medium enterprises to access both domestic and international markets and that county can be included in bilateral and multi-lateral trade negotiations.
- ▶ KEPSA in collaboration National and County Governments, set up innovation centres to provide mentorship, business incubation, coaching, training, apprenticeship, peer to peer learning, research and development.
- ▶ Private sector to establish an all-inclusive and integrated mechanism for the delivery of the affordable housing agenda.

GOVERNORS & DEPUTY GOVERNORS INDUCTION



KEPSA attended the induction of the Governors and Deputy Governors hosted by the Council of Governors from 13th – 17th December 2017 in Diani, Kwale County. The forum whose theme was 'Better Governance and Accountability for ultimate devolution dividends to all Kenyans' was graced by H.E. President Uhuru Kenyatta. KEPSA made a presentation on the role of private sector in devolution with a focus on experiences during the transition phase from 2013-2017. While private sector and county leaders agreed that there was potential for a mutually beneficial relationship, there was also need to balance revenue collection with investment so that businesses could be productive at the county level.

COUNTY EXECUTIVE COMMITTEE MEMBERS INDUCTION



KEPSA Deputy CEO Ms. Rachel Muthoga makes her remarks during the County Executives Committees Induction meeting held on 11th December 2017 at Safari Park Hotel

The newly appointed County Executive Committee Members (CECs) (2017 – 2022) induction meeting took place on 11th December 2017 at Safari Park Hotel, Nairobi where all the 470 County Executive Members were in attendance. KEPSA was allocated two sessions; one, during the opening and another one where the KEPSA sector board Leaders present highlighted sector priorities and areas of partnership with the County Governments and the CoG. This was the second meeting between KEPSA and the county executives, who are the executive arm of county governments' actively involved in the day to day implementation of policies at the county level.

ENGAGEMENT WITH COUNCIL OF GOVERNORS SECTORIAL COMMITTEES



Courtesy call by Bungoma Governor Wycliffe Wangamati to KEPSA offices on 13th April 2018

Going forward, the Council of Governors has agreed to engage KEPSA Sector Boards with its 18 Sectorial Committees for both Governors and CEC's Caucuses. The logistics of this engagement could further be discussed so that both parties agree on how to handle logistical requirements. If agreed, KEPSA could host some of the meetings. There is however need to sign a Memorandum of Understanding before the take-off of the CoG Sectoral Committees engagements.

ENGAGEMENT IN LEGISLATION

ENACTMENT OF THE MOVABLE SECURITIES RIGHTS ACT 2017

The Act describes collateral to mean a movable asset that is subject to a security right or a receivable that is subject to an outright transfer. Movable assets are defined in the Act as tangible or intangible assets where tangible assets mean all types of goods including motor vehicles, crops, machineries and livestock while intangible assets include receivables, deposit accounts, electronic securities and intellectual property rights. The Act also makes it easier for persons who do not own real property to secure a credit line by facilitating borrowing against their various types of movable assets. The Act has introduced numerous advantages by enhancing access to credit facilities using moveable property as collateral which will benefit small scale traders.

The act will improve access to credit as it allows individuals and businesses who do not own traditional collateral assets such as land to still access credit. This will benefit start-ups and SMEs that have minimal traditional assets to secure credit. It will also allow businesses dealing with intangible capital in the knowledge economy such as tech – driven organisations to use intellectual property to access credit. The office of the Registrar of Security Rights, is the regulatory authority that will oversee the implementation of this act.

ONGOING REVIEW OF KENYA CULTURAL CENTRE ACT

The review is meant to align Kenya Cultural Centre Act with the current sectoral trends, technological advancements and the Constitution of Kenya, (2010). A specially appointed taskforce will prepare an amendment to the Act once the review is done. The reviewed act is expected to regulate the creative industry, protecting the rights of creatives while ensuring that they can make a living from their art. This will spur interest in the sector especially amongst the youth, providing them with job opportunities hence addressing the unemployment crisis in Kenya. Regulating the act will also attract investment in the industries in terms of infrastructure, capital and direct employment.

GAZETTEMENT OF REMOTE PILOTED AIRCRAFT SYSTEM (RPAS)/DRONE REGULATIONS

The regulation sought to ensure establishment of effective regulatory control to govern RPAS operations. It also aims to provide a firm foundation for a comprehensive national regulatory framework to support routine operation of RPAS in a safe, harmonised and seamless manner comparable to that of manned operations. KEPSA participated in the development of the regulations.

These regulations, for the first time, will provide for a national regulatory framework that will govern and control operation of drones in Kenya. While use of drones has been traditionally been restricted for military purposes, their potential for non-civilian functions is being realised in other jurisdictions. The regulations should pave way for Kenya to invest and benefit from civilian functions of drones. Drones are useful in the film industry for aerial photography, in the agricultural industry for aerial photographic data collection, and they can also be used to transport emergency aid during disasters. Furthermore, regulating use of drones ensures there is a statute in place prohibiting illegal use of drones drug trafficking or ferrying weapons, thereby ensuring safety and security in the Kenyan airspace.

DRAFT FILM POLICY AND FILM BILL

The Policy and Bill seeks to regulate the creation, exhibition and distribution of films. It also prescribes the classification of broadcast and online content, outdoor advertisements, print publications and stage plays. The Bill also provides for the registration of cinemas and theatres.

The Film Policy and Bill will create a framework for regulating, the creation, exhibition and distribution of films in Kenya. Further, it will provide clear guidelines and economic incentives that are expected to market Kenya as a filming destination. This will enhance Kenya's brand abroad promoting Kenya as a tourism destination. It will also have a multiplier effect on other service sectors in the country such as finance, hospitality and the domestic film industry which will provide much needed services during filming; bringing into the country much needed foreign exchange and creating jobs.

THE ENERGY BILL, 2017

The Energy Bill, 2015 sought to consolidate the existing laws relating to energy i.e. the Energy Act, 2006, the Kenya Nuclear Electricity Board Order, 2013 and the Geothermal Resources Act. It addressed itself on various sub-sectors namely renewable energy, geothermal energy, midstream and downstream petroleum and coal activities, electricity and nuclear power. This bill was passed in 2016 but the president withheld his assent, expressing reservations with certain clauses and sending the bill back to the National Assembly for consideration. The Bill lapsed at the end of the tenure for the 11th Parliament and was reintroduced in the 12th parliament in November 2017.

This Bill will regulate the downstream petroleum sector. As it stands, the Energy Bill allows for multiple licences for retail and distribution of electricity effectively liberalising the electricity market. This will open up investment opportunities for energy players in the private sector. The Bill also establishes the consolidated fund which will be used to reduce volatility of oil and electricity prices. This will make manufacturing more efficient and cheaper, making Kenya regionally competitive as a manufacturing hub. This will create jobs and also reduce cost of and volatility in the prices of manufactured goods.

THE PETROLEUM (EXPLORATION, DEVELOPMENT AND PRODUCTION) BILL, 2017

The Petroleum (Exploration, Development, and Production) Bill, 2015 provided a framework for the contracting, exploration, development, and production of petroleum and for the cessation of upstream petroleum operations. This Bill was passed in 2016 but the President withheld his assent, expressing reservations with certain clauses and sending the Bill back to the National Assembly for consideration. The Bill lapsed at the end of the tenure for the 11th Parliament and was reintroduced in the 12th parliament in November 2017.

This Bill will create a framework for regulating downstream petroleum activities resulting in better governance and transparency in the extractives industry. It provides for a resource allocation formula for national government, county government and host communities, to reduce potential for conflicts arising from proceeds of oil. The Bill therefore ensures that investors in the oil industry can operate smoothly with the cooperation of the county and host communities while diverting resources to the local communities so that they can develop their regions with proceeds from oil.

THE LOCAL CONTENT BILL, 2016

This was a Bill introduced in the Senate by the Standing Committee on Energy. The Bill sought to facilitate local ownership, control and financing of activities connected with the exploitation of gas, oil and other mineral resources. The Bill also proposed a framework to increase the local value capture along the value chain in the exploration of these resources. KEPSA submitted a memorandum on the Bill before the Committee when it held public hearings on the same. The Bill had already undergone 2nd Reading at the Senate and was due for Committee of the Whole when the term of the 11th Parliament came to an end on 8th August 2017. It has since lapsed.

It also provides for an opportunity for training and skills development that will allow technology transfer, ensuring that there is sufficient domestic expertise to run the upstream petroleum sector and create employment across the whole extractives value chain. Vocational skills like pipe fitting, welding, drilling and operation and repair of heavy equipment are highly sought after in the extractives industry but remain in short supply in the country.

Private sector players can invest in vocational training institutions to bridge this mismatch between available skills and industry needs. The procurement of local goods and services is very important as it establishes a multiplier for local economic development through contribution to employment, skills strengthening, supplier and local enterprise development.

THE NAIROBI METROPOLITAN AREA TRANSPORT AUTHORITY (NAMATA) BILL

This Bill establishes the Nairobi Metropolitan Area Transport Authority. The Bill proposes an integrated, efficient, effective and sustainable transport system within the Metropolitan area. NAMATA Bill was tabled in the National Assembly and is in the Committee state where KEPSA will be making a submission when invited to do so.

There will be a proper framework to address congestion in Nairobi and align transport and infrastructure objectives. Reduced congestion will result in higher productivity as man hours wasted in traffic are freed up. It also reduces exposure to pollution and resultant health risks.

COMPUTER & CYBERCRIMES ACT

The Computer and cybercrime act was passed and assented by H.E. President Uhuru Kenyatta.

The act will provide a framework to deal with cybercrimes. This is especially handy as cyber-attacks and crimes such as hacking, espionage and fraud is on the rise as more Kenyans embrace IT platforms for business transactions.

TRADE REMEDY ACT 2017

The Trade Remedy Act was enacted in 2017. The Act created the Kenya Trade Remedies Agency; for the investigation and imposition of antidumping, countervailing and trade safeguard measures. Its enactment confirms Kenya's commitments and obligations under the World Trade Organization (WTO) agreements on trade remedies.

The act creates the Trade Remedy Agency whose main function shall be to investigate and evaluate all allegations of dumping and subsidization of imported products in Kenya.

The act is expected to allow governments to take remedial action against imports causing material injury to a domestic industry. Safeguard measures may take the form of tariffs, tariff rate quotas, or quantitative restrictions (import quotas). This was a major milestone for the private sector especially the manufacturing sector on order to promote local industries as well as protect them from unfair competition. These measures will be of benefit to the Kenyan manufacturer and the economy as a whole since manufacturing is one of the economic "Big 4".

FINANCE ACT, 2017

KEPSA made a detailed submission to the Finance Act. The Act gives effect to the various proposals made during the National Budget Statement presented to Parliament by the Cabinet Secretary in charge of the National Treasury. The Finance Act 2017 made many proposals that affected the private sector. Some of the highlights include:

1. A proposal to expand personal income tax bands by 10%. The lowest taxable income was adjusted upwards from KES 11,180 to KES 12,298;
2. To promote the assembly of motor vehicles in Kenya, the corporate tax rate for new assemblers was reduced from 30% to 15% for the first 5 years.
3. Exemption of Export Duty and Import Declaration Fees (IDF) on goods exported to and imported by an enterprise licensed under the SEZ Act;
4. Taxes for betting, lottery, gaming and competition were increased from the current 7.5%, 5%, 12% and 15% respectively to 50% for all categories. The newly created National Sports, Culture and Arts Fund would have been funded by the taxes from betting, gaming, and lotteries. This was reduced to 35% in addition to 25% charity tax, a matter that is still being contested and is in court.
5. There was to be a comprehensive assessment of the impact of interest rate capping laws.
6. KES 1.6 billion allocated for the leather industrial park development and textile development;

THE ROADS BILL 2016

This was a government sponsored Bill brought before the 11th Parliament. The ICT Sector Board was majorly concerned with Clause 45 which allows the Kenya National Highways Authority to direct a private entity to relocate its infrastructure or utility if located within a road reserve. This means that private entities would incur costs to satisfy such a direction. The Clause neither provided for adequate public consultation before such a directive is given nor take into account the financial implications of such an order.

KEPSA made a proposal to the National Assembly to amend this Clause but it is yet to be effected. Similar submissions were made before the Senate. The bill lapsed at the end of the tenure of the 11th parliament. The Road Bill is being re-introduced to the Senate having been passed by the National Assembly.

THE DRAFT CRITICAL INFRASTRUCTURE PROTECTION BILL, 2015

This Bill proposes the establishment of the Critical Infrastructure Protection Unit whose role will be to co-ordinate and strengthen source ministries on matters relating to protection of Critical Infrastructure. The Bill creates an institutional framework for the protection of critical infrastructure. In the ICT Sector, the Bill designates Critical Infrastructure Assets as fibre optic cables, submarine cables, telecommunication apparatus, line and posts and data centres.

To protect critical infrastructure against threats such as terrorism, espionage and sabotage. The unit will work with the office of the inspector general to ensure that critical infrastructure assets are accorded continued security surveillance and protection against threat or use of force, terrorism or other terror related activities.

COPYRIGHT (AMENDMENT) (DRAFT) BILL 2016

This Bill addresses aspects of copyright protection including protection of online copyright material. Key highlights of the proposed amendments include: allowing for copying of computer programs and circumvention of technological protection measures in instances outside the fair dealing rule; and exempting Internet Service Providers (ISPs) from liability for infringement of copyright by providing access to or transmitting content, routing or storage of content in ordinary course of business.

The Bill is undergoing stakeholder's consultations and the KEPSA ICT Sector Board and Sports, Arts and Culture Sector Board have prepared submissions ready to present to the National Assembly once the Bill tabled.

The Bill will enable government to collaborate with Internet service providers to enforce protection of online copyright material. This will encourage proper use of online material and allow owners of online copyrights to receive payments for use of their property. Given the increased use of internet material, this Bill ensures that innovators are able to access returns from their products being used on online platforms.

THE COUNTY GOVERNMENTS (REVENUE RAISING REGULATION PROCESS) (DRAFT) BILL, 2017

This is a draft Bill proposed by a joint taskforce comprising various Ministries concerned with devolution and the Council of Governors. The purpose of the Bill is to regulate the process to be followed by county governments when imposing, varying or waiving taxes and other charges.

KEPSA undertook countrywide consultations with private sector players operating in the counties to collate their views on the working draft. KEPSA has since prepared a report on these consultations and two memoranda in respect of the draft policy and Bill. The report and memoranda were presented to the National Treasury for consideration. The Bill will be subjected to a validation exercise before cabinet approval and publication. The legislation would address the taxes and levies imposed by county levels ensuring that they do not undermine the ease of doing business at county level.

THE ASSUMPTION OF THE OFFICE OF GOVERNOR BILL, 2018

Assumption to the Office of the County Governor Bill, 2018, the bill has been reintroduced at the Senate by a private member. The Bill underwent first reading and has been referred to the Senate Committee on Devolved and Intergovernmental Relations. The purpose of the bill is to facilitate handing over process by the outgoing Governor to the Governor Elect. Of interest to the private sector is a provision providing for the establishment of the Assumption of the Office of Governor Committee. This Committee will facilitate the handing over process by the outgoing Governor to the Governor elect.

This will include effective handing over of a list of pending liabilities to the Governor-elect thereby safeguarding private players with whom the county has pending bills. KEPSA will prepare a memorandum based on the comments received from members of the Sector Board and submit the memorandum to the relevant Committee.

If enacted, it will provide a legally backed hand over process that will clearly outline assets and liabilities that an office has incurred and formally transfer this to the incoming office holder. This will eliminate room for fraud as well as financial misreporting and conflicting figures of accounts and assets between incumbents and incoming governors. Thus, it will allow for a smoother transition and create a culture of proper and efficient use of public resources as this information will be publicly available for scrutiny by members of the public including the business community.

INTERGOVERNMENTAL ALTERNATIVE DISPUTE RESOLUTION REGULATIONS (2018)

These regulations have been developed by the Ministry of Devolution and ASAL to provide for alternative dispute resolution mechanism between county governments and national government. The regulations have undergone public participation across the counties and are due to consideration by the respective national assembly and the senate committees. This regulations will enable counties free money used to settle disputes through litigation and instead channel more funds to service delivery, settlement of county bills and development.

URBAN AREAS AND CITIES (AMENDMENT) BILL, 2017

This Bill is due to be tabled to the committee of the whole state. The amendments are aimed at reviewing the criteria provided for classifying an area as a market (an area with a population of 2000), town (an area with a population of 10,000), municipality (an area with a population of 50,000) and city (an area with a population of 250,000). The Bill has also provided clarity on the qualification for the board members and provides for a member of a private sector association represented at the county is incorporated.

WAREHOUSE RECEIPT SYSTEM BILL

This is a Bill introduced in the National Assembly to provide a legal framework for the development and regulation of a warehouse receipt system for agriculture commodities. The Bill envisioned a warehouse receipt as a negotiable instrument.

The National Assembly considered this Bill and passed it in August 2016. The same was forwarded to the Senate. By the end of the term of the 11th Parliament, the Senate had not finalized on the Bill. Once republished, KEPSA, on the advice of the Sector Board, will prepare a memorandum for presentation to the relevant committee and plan for the Sector Board to meet with the committee.

This will formalise already existing transactions, which will enable users to have a credit history, increasing access to credit and reducing insurance premiums on agricultural products. It will also harmonise county cess charges with national taxes on agricultural commodities. It will also reduce post-harvest loss as storage and care of produce will be done professionally. Furthermore, it will stabilise prices by keeping supply of commodities steady and constant between one harvest and another.

OTHER ENGAGEMENTS

PARTNERSHIP FOR GLOBAL GOALS AND GREEN GROWTH

KEPSA in partnership with Royal Danish Embassy, Vision 2030 and the Ministry of Environment and the Danish Embassy is a co-convenor of the Kenya Chapter for P4G. The Kenya chapter P4G main aim is to catalyze solutions and promote Kenyan P4G partnerships that are inclusive by leveraging on national platform as means of nurturing innovative partnerships which can then act as engines for change and transformation.



KEPSA Chair Mr. Nick Nesbitt makes his remarks during the P4G Consultative Seminar held on 14th February 2018 at Kempinski Hotel

OUTCOMES OF OUR PUBLIC PRIVATE DIALOGUE (PPD) ENGAGEMENTS



IMPROVING GOVERNANCE & THE BUSINESS REGULATORY ENVIRONMENT

ISSUE & PLATFORMS

► COSTLY AND LENGTHY BUSINESS REGISTRATION PROCESSES

PRT 1,2,3,4,5,6 MSFs and Nairobi County Sectorial Committees' and Nairobi County Governor's Round Table

WHAT HAS BEEN ACHIEVED (OUTCOMES)

- Implementation of the Business Registration Services Act which provides for a one-stop shop for registration of businesses by merging the procedures required to operate formally.
- 52 Huduma centres; 1 in every county with 5 in Nairobi and 2 in Kajiado. 73 different services offered, with each centre providing between 15 to 35 services serving an average of 40,000 Kenyans.
- Finalization and launch of Devolution Policy on Devolved System of Governance
- Launch of the Devolution Portal
- Submission of Private Sector Proposals into the development of the Country's Third Medium Term (MTPIII).
- 5 County Consultations on County Own Source Revenue Enhancement Policy and County Governments (Revenue Raising Regulation Process) Draft Bill 2017 (Kisumu, Mombasa, Nairobi, Nyeri and Nakuru)
- KEPSA partnered in Conducting Induction for the Senate, Governors and Deputy Governors and County Executive Committee Members
- Validation of the Commission of Revenue Allocation Strategic plan (2017/18 – 2022)
- The cost of registering companies reduced to a flat rate of Ksh.10, 000/= and procedures reduced from 11 to 7 in 2017.
- Since 2015, Kenyan citizens and foreign residents can apply for selected public services through e-Citizens for Government to Citizen (G2C) services and pay via online platforms. There are currently 197 services available on the platform which have been accessed by over 3 million people since inception.

IMPACT

FOR BUSINESS

- ▶ Reduction of bureaucratic processes has saved time and cost allowing companies to be more efficient. According to the KNBS 2017 report, MSMEs engaged 14.9 million persons creating more jobs and increased economic activity.

FOR THE ECONOMY

- ▶ Integration of more MSMEs into the formal sector growing the tax base for supporting national development goals.
- ▶ Improved access to government services hence improving public service delivery

ISSUE & PLATFORMS

- ▶ CUMBERSOME PROPERTY REGISTRATION PROCESS AND MULTIPLE DOCUMENTATION LEADING TO HIGH TRANSACTION COSTS COSTLY AND LENGTHY BUSINESS REGISTRATION PROCESSES

PRT 1,2,3,4,5,6, MSFs, National Land Commission(NLC), Nairobi Governors Round Table

WHAT HAS BEEN ACHIEVED (OUTCOMES)

- ▶ National Land Use Policy adopted by the National Assembly as Sessional Paper No. 1 of 2017
- ▶ The National Spatial Plan was finalized and launched in March, 2017, as a guide for use and management of land and land based resources. It will ensure sustainable socio-economic development.
- ▶ Committee on Extension and Renewal of Land Leases finalized their report. A joint implementation committee to look at the recommendations and develop an implementation framework has been formed.
- ▶ Finalization of the Land Laws Regulations
- ▶ Automated land registration transaction and online searches through eCitizen portal for Nairobi registry.
- ▶ Digitization of Land Registry is ongoing. Nairobi registry is fully digitised. Organised records in 28 out of 57 land registries and conversion from analogue to digital title deeds ongoing.
- ▶ Additionally, the time taken for Land Survey, Adjudication and Registration services has been reduced from 73 to 16 days as a result of a one-stop National Titling Centre.

IMPACT

FOR BUSINESS

- ▶ Land is a key enabler for business. Eliminating manual processes will ease the process of registering property, saving the time, cost. 78.1% reduction in the number of days taken to register and issue a title deed to 57 days by 2017.

FOR ECONOMY

- ▶ Integration Online title deed search through e-citizen portal promotes transparency reducing opportunities for rent seeking.
- ▶ Enhanced public access to land registry due to automation leading to increased transparency in land transaction.
- ▶ By 2017, due to automation of land services, the land services revenue increased from 800 million to 9 billion.
- ▶ Cadastral information will provide an integrated framework for sharing land information and land use.

ISSUE & PLATFORMS

WHAT HAS BEEN ACHIEVED (OUTCOMES)

- ▶ BURDENSOME, EXPENSIVE AND COMPLEX TAX SYSTEM, LENGTHY DISPUTE RESOLUTION PROCESSES BETWEEN TAXPAYERS AND KRA, AND SLOW PAYMENT OF VAT REFUNDS.

PRT 1,2,3,4,5,6, MSFs, Judiciary, Kenya Revenue Authority(KRA)

- ▶ Digitization of tax processes was completed and the KRA I-Tax system is now fully operational with over 2 million users.
- ▶ The Movable Securities Rights Act was enacted in May 2017. It regulates use of assets as collateral to access credit especially among the SMEs.
- ▶ Kenya moved upwards in DBI 2018 report from position 125 in 2016 to position 22 in 2017 in the paying taxes indicator.

IMPACT

FOR BUSINESS

- ▶ Efficient filing of returns enhancing compliance. Increased access and affordability of credit against assets as collateral.

FOR THE ECONOMY

- ▶ Timely filing of tax returns improved by 75% in 2017 from 1.2 million to 2.1 million users according to KRA.

ISSUE & PLATFORMS

WHAT HAS BEEN ACHIEVED (OUTCOMES)

- ▶ CONTRACT ENFORCEMENT AND COMMERCIAL DISPUTE RESOLUTION

PRT 1,2,3,4,5,6, Judiciary, Attorney General, MSF's

- ▶ The Court Annex mediation pilot, which started in 2016, with the commercial and family division of the court, ended in July 2017. during this time, US\$ 7.7 million which had been tied up in disputes was released into the economy and mediation reduced case resolution time from 24 months to 66 days.

IMPACT

FOR BUSINESS

- ▶ Reduced cost of litigation, for example, the Court Annexed Mediation Process has resolved disputes worth a total of Ksh. 451million, thus unlocking tied funds for investment according to the Judiciary.

FOR THE ECONOMY

- ▶ Improvement of Kenya's doing business ranking to position 80 in DBI 2018 report as a viable and attractive investment destination that protects investors.

ISSUE & PLATFORMS

- ▶ BURDEN OF THE NEMA ENVIRONMENTAL IMPACT ASSESSMENT (EIA) AND NATIONAL CONSTRUCTION AUTHORITY (NCA) FEES

PRT 1-6, MSFs, NEMA, NCA

WHAT HAS BEEN ACHIEVED (OUTCOMES)

- ▶ National Construction levy waived amendment to the NCA Act –
- ▶ Following a presidential directive, the NCA levy as well as the NEMA EIA Fee were scrapped.

IMPACT

FOR BUSINESS

- ▶ Removal of NCA levy (0.5%) on construction projects above 5 million shillings has significantly reduced construction costs.
- ▶ Kenya improved in 2017 to position 124 from 152 in 2016 in the DBI 2018 report.

FOR THE ECONOMY

- ▶ Foster development of infrastructural and housing projects and stimulate private sector investment into these critical sectors and create more jobs.



Cabinet Secretary for Lands Ms. Farida Karoney (R) during the Launch of National Land Use Policy on 12th June 2018



ENHANCING TRADE & INVESTMENT

ISSUE & PLATFORMS

▶ GOVERNMENT PROCUREMENT

A. LOW SUPPORT FOR ENTREPRENEURSHIP AND SME DEVELOPMENT] – PROPOSED EMBEDDING OF LOCAL CONTENT INTO PUBLIC PROCUREMENT TO ENHANCE USE OF LOCALLY MANUFACTURED GOODS

PRT 4.5.6, MSFs, County Executive Committee Members(CECM), Kenya Railways), Parliamentary Department Committees (PDC's)

WHAT HAS BEEN ACHIEVED (OUTCOMES)

- ▶ Local content requirements incorporated into public service performance contract guidelines.
- ▶ Enactment of Trade Remedies Act 2017 which provides for anti-dumping, countervailing and safeguard measures in case of harmful trade practices.
- ▶ National Trade Policy Launched.
- ▶ Buy Kenya Build Kenya Strategy launched which aims to implement the President's directive that all government agencies should reserve 40% of their procurement budget for the purchase of locally produced goods and services.
- ▶ The process of merging the SME funds to establish Biashara Bank has begun to enable SMEs to scale up.

IMPACT

FOR BUSINESS

- ▶ Growth and expansion of domestic industries through elimination of unfair trade practices.

FOR THE ECONOMY

- ▶ Increased job creation through implementation of Buy-Kenya Build-Kenya and support domestic industries.
- ▶ Bridging of the Balance of Payment deficit by supporting consumption of locally manufactured products.



KEPSA Director Ms. Flora Mutahi making a presentation during the 8th Presidential RoundTable Forum held on 10th May 2018

ISSUE & PLATFORMS

WHAT HAS BEEN ACHIEVED (OUTCOMES)

B. LOW SUPPORT FOR ENTREPRENEURSHIP AND SME DEVELOPMENT] – PROPOSED EMBEDDING OF LOCAL CONTENT INTO PUBLIC PROCUREMENT TO ENHANCE USE OF LOCALLY MANUFACTURED GOODS

PRT 1-7 and MSFs, Nairobi
Governors' Round Table, County
Executive Committee
Members(CECM)

- ▶ 17,349 tenders worth Ksh 15.7 billion were awarded to Youth, Women and PWDs entrepreneurs.
- ▶ A cumulative total of Ksh 42.9 billion has been awarded to youth, women and PWDs since 2013.
- ▶ A growth of 269% (12,648) tenders issued worth 9.9b (170% increase) since 2013 to date,
- ▶ Establishment for the preference and reservation secretariat in the 2017/18 budget to oversee implementation of AGPO under consideration.

IMPACT

FOR BUSINESS

- ▶ Increased economic activity by Women, Youth and Persons with Disabilities thus reducing unemployment and vulnerability.

FOR THE ECONOMY

- ▶ Bridging of the Balance of Payment deficit by supporting consumption of locally manufactured products.
- ▶ Enhanced participation of the target group in to economic development. Greater inclusivity in economic activity and job creation for the youth women and persons with disability.



KEPSA-Ireland MoU signing on 15th March 2018

ISSUE & PLATFORMS

- ▶ HIGH COST OF IMPORTED INPUTS: DUE TO IMPORT DECLARATION FEE AND THE RAILWAY DEVELOPMENT LEVY

PRT 1,2,3,5,6,7, MSFs, EAC Sectorial Council on Trade, Industry, Finance and Investment(SCTIFI), EAC Summit, EABC Forums

WHAT HAS BEEN ACHIEVED (OUTCOMES)

- ▶ Companies in the Export Promotion Zones (EPZA's) to sell up to 20 per cent of their production in the domestic market, without paying duties
- ▶ The Special Economic Zones Act Regulations were gazetted.
- ▶ National Export Strategy Validation finalized awaiting adoption by the steering committee.

IMPACT

FOR BUSINESS

- ▶ Increased local and Foreign Direct Investment (FDI) through the SEZs leading to more job opportunities.
- ▶ Enhanced competitiveness of industries and attracting new investments with 19 SEZ applications and 3 SEZ applications approved in 2017.
- ▶ 59 EPZ zones covered in 20 counties with a 90% growth of 572,000 direct and indirect jobs.

FOR THE ECONOMY

- ▶ Increased value addition opportunities with the implementation of the National Export Strategy.

ISSUE & PLATFORMS

- ▶ DELAYED PAYMENTS BY GOVERNMENT AND RETAIL CHAINS TO PRIVATE SECTOR SUPPLIERS

PRT 5,6, MSFs, County Executive Committee Members (CECM) Retreat, Parliamentary Department Committees (PDC's)

WHAT HAS BEEN ACHIEVED (OUTCOMES)

- ▶ The Public Finance Management Act (Roads Annuity Fund) Regulations were gazetted will ensure that investors in infrastructure are budgeted.
- ▶ Regulations on Buyer Power have already been gazetted by the Competition Authority providing for timely payments.
- ▶ Report of the joint committee between manufactures, suppliers and retailers launched. Key recommendations include development of regulations and draft Prompt Payment Bill, anchoring the Prompt Payment Code of Practice.

IMPACT

FOR BUSINESS

- ▶ Expected self-regulation through code of practice within the private sector.
- ▶ The proposed Prompt Payment Draft Bill aims to introduce prompt payment code of practice.

FOR THE ECONOMY

- ▶ Prompt revenue collection by government due to increased business productivity.

ISSUE & PLATFORMS

- ▶ DEALING WITH THE MULTIPLE CHALLENGES IN AGRICULTURE INCLUDING AGRICULTURAL LAND USE

PRT 1,2,3,4,5, MSFs, County Executive Committee Members(CECM) Retreat, Senate Round Table, Parliamentary Department Committees (PDC's)

WHAT HAS BEEN ACHIEVED (OUTCOMES)

- ▶ Toyota Tsusho Fertilizer factory in Eldoret with capacity to produce 150,000 metric tonnes of subsidized fertilizer annually started operations in March 2017.
- ▶ Kenya was granted another two-year extension of sugar safeguards by COMESA upon expiry of the February 2017 deadline.
- ▶ Finalization and launch of Kenya Youth in Agribusiness Strategy (2017-2022)
- ▶ Review of Agriculture Sector Development Strategy (2010 – 2020) to factor in SDG2 and Emerging issues in the Sector
- ▶ Launch of Kenya Climate Smart Agriculture Strategy (2017-2026)

IMPACT

FOR BUSINESS

- ▶ Increased production due to appropriate use of fertilizer based on actual limiting nutrients and crop requirements.
- ▶ Increased time for local producers to enhance productivity and efficiency.

FOR THE ECONOMY

- ▶ Sustainable productivity of the agriculture sector for economic growth and employment creation

ISSUE & PLATFORMS

- ▶ DEVELOPMENT AND STRENGTHENING OF THE LEATHER, TEXTILE AND APPAREL, AND THE AGRO-PROCESSING CLUSTERS.

PRT 4,5,6, MSFs

WHAT HAS BEEN ACHIEVED (OUTCOMES)

- ▶ Development of Kinanie leather Park in Athi River.
- ▶ Executive directive local procurement of leather products for disciplined forces

IMPACT

FOR BUSINESS

- ▶ Increased investment in the leather and textile subsectors and improving the market share of the products in the country.

FOR THE ECONOMY

- ▶ Enhanced production to the AGOA market in order to increase the country's export base.

ISSUE & PLATFORMS

▶ DECLINING TOURISM REVENUES

PRT 1-3, MSFs

WHAT HAS BEEN ACHIEVED (OUTCOMES)

- ▶ Improved security as a result of reduced crime and terrorist incidences. Has addressed underlying causes of tourism decline. Travel advisories against Kenya lifted.
- ▶ The Government has waived all landing fees for charter aircraft terminating at the Kenyan coast until June 2018 under the **Charter Incentive Programme (CIP)**
- ▶ The Government lifted the ban of holding meeting in private hotels.
- ▶ Locally assembled tourist vehicles to be exempt from VAT as proposed in the 2017/18 Budget

IMPACT

FOR BUSINESS

- ▶ Earnings in the tourism sector grew by 20.3% in 2017 to 120 billion shillings from 99 billion shillings in 2016.
- ▶ International arrivals increased by 9.8% to 1.47 million visitors in 2017 from 1.34 million visitors in 2016.

FOR THE ECONOMY

- ▶ Injection of forex earnings to the country, job creation thus improved balance of payment.

INFRASTRUCTURE DEVELOPMENT



ISSUE & PLATFORMS

- ▶ **AFFORDABLE, RELIABLE AND INCREASED POWER SUPPLY:**
HIGH BUSINESS COSTS DUE TO INCREASED NUMBER AND DURATION OF POWER OUTAGES, SLOW PACE OF POWER GENERATION AND INADEQUATE INFRASTRUCTURE FOR TRANSMISSION AND DISTRIBUTION.

PRT 1,2,3,4,6, MSFs, Parliamentary Department Committees (PDC's), Energy Regulatory Commission, Kenya Power, Kenya Nuclear Electricity Board

WHAT HAS BEEN ACHIEVED (OUTCOMES)

- ▶ Report on the Taskforce on Review of Independent Power Producers (IPPs) Power Purchase Agreements finalized and launched.
- ▶ Establishment of the Bioenergy Committee working to finalize the Bioenergy Framework that proposes establishment of a Bioenergy Board.
- ▶ 696 MW added to the National Grid a 32% net increase in generation capacity.
- ▶ 795 additional km of transmission lines constructed in 4 years- a 22% increase.
- ▶ Improved reliability of electricity by setting up a specialized squad to restore power when outages occur.
- ▶ Improved power generation mix with estimates that renewable energy (74%) and fossil fuels (26%)
- ▶ Implementation of Time of Use Tariff effective December 2017 for industrial /commercial use of Power that seeks to increase power consumption at off peak hours.

IMPACT

FOR BUSINESS

- ▶ Increased opportunity for production at off-peak hours with the introduction of Time of Use Tariff.
- ▶ Improved business operations through the increased cooperation between Kenya Power and manufacturers in monitoring power outages.

FOR THE ECONOMY

- ▶ Increased productivity through access to renewable energy as a key enabler to business and economic activity.

ISSUE & PLATFORMS

▶ TRAFFIC CONGESTION IN MAJOR CITIES DUE TO POOR QUALITY INFRASTRUCTURE

PRT 1, 2,3,4,5,6,7-, MSFs, Nairobi County Sectorial Forums, Nairobi Governors Round Table, National Police Service

WHAT HAS BEEN ACHIEVED (OUTCOMES)

- ▶ Expansion of the Outer-Ring and expansion of Ngong road phase 1 into a dual carriage highway complete and open for public use.
- ▶ Standard Gauge Railway services for both passengers and cargo operations between Nairobi and Mombasa complete;
- ▶ Operationalization of the Nairobi Inland Container Depot operation for efficient cargo clearance and decongest Mombasa Port.
- ▶ Nairobi Metropolitan Transport Authority (NAMA) Bill, 2017, tabled in Parliament to manage integrated transport system in Nairobi and surrounding counties
- ▶ Construction of the missing links joining Langata- Ngong Rd and Ngong Road- Waiyaki Way-Ruaka.
- ▶ More jobs created for the youth with the ongoing construction of Phase 2A Nairobi- Naivasha component
- ▶ SGR Contactor required to demonstrate and quantify value of local content in his/her construction work
- ▶ Efficiency at the Port of Mombasa and the Northern Corridor improved
- ▶ Digitization of NTSA services key among them Driving license, Renewal of licensees

IMPACT

FOR BUSINESS

- ▶ Increased market connectivity and decongestion of the Mombasa port which traditionally slows business operations.

FOR THE ECONOMY

- ▶ The SGR has also been a source of income for direct and indirect suppliers; further creating employment. SGR will further boost growth of local industry through the supply of local construction materials, services and labour.
- ▶ Enhance technology transfer and boost TVET and education standards.



ISSUE & PLATFORMS

- ▶ SKILLS MISMATCH BETWEEN EDUCATION AND INDUSTRY.
- ▶ EXPANSION OF PRIMARY, SECONDARY, AND UNIVERSITY ENROLMENT AND TRANSITION

WHAT HAS BEEN ACHIEVED (OUTCOMES)

- ▶ The Government waived fees for national examinations, KCSE and KCPE for all private Schools
- ▶ Admission of 17,000 government sponsored students into private universities.
- ▶ All Private Schools have access to 'Tusome' learning material- 250,000 English and Kiswahili text books which have been distributed to 5028 private schools.
- ▶ Development and piloting the implementation of new Basic Curriculum and education system 2-6-6-3 in 180 private schools.
- ▶ Formation of permanent working group on TVET comprising of government and private sector members.
- ▶ National Research Fund made three Calls for Research Proposals – Post Graduate, Masters and Multidisciplinary.
- ▶ Pilot of the National Education Management Information System (NEMIS) in private sector schools.
- ▶ Inclusion of Private Sector Teachers in National Exams Supervision both KCPE and KCSE.

IMPACT

FOR BUSINESS

- ▶ Major strides made in the actualization of public private partnership (PPP) and collaboration between private sector and government in education enhancing equity and transition of students to higher level of education.

FOR THE ECONOMY

- ▶ Increased access and opportunities for the development of industry relevant skills and competencies for economic development.

ISSUE & PLATFORMS

▶ IMPROVING HEALTH

WHAT HAS BEEN ACHIEVED (OUTCOMES)

- ▶ Increased uptake of medical insurance especially through NHIF.
- ▶ Health Act enacted awaiting operationalization- The Act provides clarity on functions of National and County Governments in health centre which is a devolved function.

IMPACT

FOR BUSINESS

- ▶ Increased productivity of labour.
- ▶ Enhanced capacity and access to quality healthcare.

ISSUE & PLATFORMS

▶ SPORTS CULTURE AND ARTS

WHAT HAS BEEN ACHIEVED (OUTCOMES)

- ▶ Gazettement of Remote Piloted Aircraft System (RPAS)/Drone Regulations.
- ▶ Draft Film Policy and Bill developed.

IMPACT

FOR BUSINESS

- ▶ Enhanced growth and innovation in the Film industry following the introduction of structured regulation use of drones.

FOR THE ECONOMY

- ▶ Increased investment in the Film industry due to faster licencing process.



Chief Administrative Secretary for Sports & Heritage Mr. Hassan Noor Hassan chairing a meeting with KEPSA Sports, Arts and Culture sector board on 25th May 2018



ISSUE & PLATFORMS

► GENDER AND YOUTH DEVELOPMENT

- Ongoing sensitization of companies through Better Business Practices for Children programme.
- Increased advocacy for supplier inclusivity within the private sector.
- Implementation of the Ajira Digital Project (Phase 1) where 7168 new online workers trained on online jobs.

WHAT HAS BEEN ACHIEVED (OUTCOMES)

IMPACT

FOR BUSINESS

- Increased establishment of mother friendly centres at the workplaces of nine companies improving productivity.
- Increased participation of women and youth-owned companies in procurement thus nurturing entrepreneurship.
- 50% of the beneficiaries on the Ajira Digital Project had access to online jobs while 38% were earning from online jobs.

FOR THE ECONOMY

- Increased job opportunities for the women and youth thus reducing the unemployment gap.
- Promotion of Kenya as a destination for online work.



UPGRADING SECURITY

ISSUE & PLATFORMS

▶ REDUCE THE IMPACT OF CLIMATE CHANGE

WHAT HAS BEEN ACHIEVED (OUTCOMES)

- ▶ Gazettement and launch of the National Climate Change Action Plan (2018-2022) Taskforce. KEPSA is a member of the taskforce.
- ▶ Kick-off of the National Climate Adaptation Coordination Committee. KEPSA is a member of the Technical Committee.
- ▶ Development of the first Member of the first National Voluntary Report on SDG 6 Monitoring and Reporting.

IMPACT

FOR BUSINESS

- ▶ Harmonized private sector approach on climate change risks mitigation and adaptation.
- ▶ Expanded funding opportunities for the private sector projects and programmes in climate change mitigation and adaptation through the Climate Change Fund and Green Climate Fund.

FOR THE ECONOMY

- ▶ Enhanced resilience to climate change effects while fostering innovations for climate adaptation.

ISSUE & PLATFORMS

▶ SPEED UP POLICE REFORMS

WHAT HAS BEEN ACHIEVED (OUTCOMES)

- ▶ Enactment of the National Coroners Services Act to provide for a speedy forensic investigation of deaths and related crimes.
- ▶ Construction of the Forensics Laboratory almost completed.

IMPACT

FOR BUSINESS

- ▶ A regulatory mechanism and institution is now in place with procedures for addressing unresolved deaths and inquests.
- ▶ Faster resolution of investigations on deaths.

FOR THE ECONOMY

- ▶ Improved investigation and evidence gathering will help police and prosecution services to develop solid cases and allow Kenyans better access to justice for criminal activities.

ISSUE & PLATFORMS

- ▶ LOWER TECHNOLOGY AIDED CRIME

WHAT HAS BEEN ACHIEVED (OUTCOMES)

- ▶ The Computer and Cyber Crime Bill was tabled in parliament and is at the committee stage.

IMPACT

FOR BUSINESS

- ▶ The Bill once enacted will provide for mechanism to prevent and prosecute cybercrime.
- ▶ Promotion of data security in business transactions.

FOR THE ECONOMY

- ▶ Reduced cases of fraud, improved competitiveness of Kenya in e-commerce.



Cabinet Secretary, Ministry of Interior & Coordination of National Government Dr. Fred Matiangi during a KEPSA meeting on 29th May 2018

PUBLIC POLICY, RESEARCH & ANALYSIS: EVIDENCE BASED ADVOCACY

In 2017, KEPSA continued to engage in public policy dialogue and inform thought leadership through evidence-based issues/recommendations that were informed by various studies and research.

COMMON MARKET PROTOCOL



EAC Common Market Protocol meeting held on 30th May 2017

In line with the National Business Agenda (NBA) II on enhancing trade and investment through full integration of the regional trade, KEPSA partnered with the East Africa Trade and Investment Hub to enhance the implementation of the EAC Common Market Protocol through enhanced private sector participation.

Through the partnership and in line with enhancing regional, KEPSA:

- ▶ Commissioned a study on; "Analysis of an Effective Framework to Enhance Implementation of EAC through Support to EALA". The study was informed by the Private Sector's view that full potential of the region's economic growth has not been exploited due to existing legal framework challenges. The report resulted in the development of Private Sector Proposals for effective mechanisms to support the legislative and oversight role of EALA in the timely implementation of the EAC Protocols that enhance trade.
- ▶ From recommendations emanating from the study on 'Analysis of effectiveness of the Committees and sector working groups supporting the Common Market Implementation in Kenya', KEPSA developed an Accountability tool for the National Implementation Committee on the EAC Common Market Protocol to enhance tracking and increase on the Common Market Protocol.

DEVOLUTION: COUNTY GOVERNMENTS OWN SOURCE REVENUE

In line with devolution and improving the business environment in the counties, KEPSA commissioned two guides to "Private Sector Dialogue and input on the Draft National Policy on County Governments Own Source Revenue and the County Government (Tax Regulation) (Draft) Bill, 2016." The researches were;

- ▶ Analysis of the National Policy on County Governments Own Source Revenue, 2016 and
- ▶ Analysis of the County Government (Tax Regulation) (Draft) Bill, 2016.

From the two analysis, KEPSA developed proposals providing input to improve these legal instruments in order to ensure the resultant policy and law create a conducive framework for economic development while promoting revenue collection. The inputs were presented to the National Treasury in form of Memos.

PUBLIC-PRIVATE PARTNERSHIPS



KEPSA Transport and Housing Sector Workshop

KEPSA partnered with the African Development Bank (AfDB) to carry out sector studies and develop a Compendium on application of PPPs to enhance delivery of public services to the country through increased uptake of PPP in four of the thematic areas. The sector studies cover Energy, Transport, Housing and Water & Waste Management in addition to a Compendium that brings all together. With these reports, we hope to:

- ▶ Improve knowledge on public-private sector partnerships (PPPs) in closing infrastructure gaps in selected public services;
- ▶ Generate information for our members on PPP investment opportunities in the respective sectors;
- ▶ Learn about more effective ways and approaches to increase uptake of PPPs by private sector to improve provision of services in the respective areas;
- ▶ Provide baseline information to be used in tracking, monitoring and reporting on progress in public services development and uptake of PPPs on the same.
- ▶ Outlining recommendations that are highly necessary to support SME development across the policy space, legislation, regulations, programmes and SME support systems;
- ▶ Identify local and international best practices in facilitating SMEs growth; and,
- ▶ Achieve year-on-year increase in SME's growth and contribution to the economy.

In addition, four Policy Papers were produced containing key policy recommendations for each of the sectors. They provide solid evidences that buttress KEPSA's engagement with policymakers and proposals for the country's big four agenda accordingly.

SME POLICY INDEX



KEPSA Head of Policy, Research and Analysis Mr. Victor Ogalo during the KEPSA Stakeholder Validation workshop for the SME Policy Index Tool held on 15th March 2018 at Southern Sun Mayfair Hotel

KEPSA has partnered with the Business Advocacy Fund (BAF) to develop an SME Policy Index that will rate the friendliness of Kenya's environment to the growth and development of the SMEs. The SME Policy Index Study seeks to assess, gauge and rank the Kenyan SME regulatory environment with regards to SME facilitation and growth. The specific objectives of the study are to:

- ▶ Facilitate development of a comprehensive policy assessment tool to assess SME policy frameworks on a regular basis;
- ▶ To understand the perspectives of business community towards the Amendments to the Banking Act 2016 that introduced interest rate ceilings, capping the lending rates chargeable on credit facilities by financial institutions at no more than 4% above the CBR and the minimum rate on interest-earning deposits at no less than 70% of CBR.

As this is the first ever such study in Kenya, it will be piloted in three select counties, namely: Nairobi, Kiambu and Machakos. KEPSA aims to make it an annual study that will be scaled-up in future to cover all the 47 counties in the country and can be replicated in other Partner States of the East Africa Community.

COUNTERING VIOLENT EXTREMISM

KEPSA has partnered with the NIWETU- a Development Alternative Initiative (DAI) project to conduct a study on measuring the effects of Violent Extremism (VE) on the private sector in Kenya and exploring private sector interventions to countering violent extremism (CVE). The study will inform on the best interventions that the private sector can undertake in countering violent extremism in line with supporting a conducive business environment through a secure country. The study was conducted in three counties namely; Nairobi, Carissa and Mombasa and targeted small, medium and large businesses in those areas.

INTEREST CAPPING SURVEY

The Survey was conducted between end March and early April 2017 with the following objectives:

- ▶ To understand the perspectives of business community towards the Amendments to the Banking Act 2016 that introduced interest rate ceilings, capping the lending rates chargeable on credit facilities by financial institutions at no more than 4% above the CBR and the minimum rate on interest-earning deposits at no less than 70% of CBR.



KEPSA meeting with CBK Governor on 10th May 2017

- ▶ To assess the short term and long term effects of the interest rates capping regime on businesses (both borrowers and lenders).
- ▶ To propose measures to enhance affordability and access to credit in Kenya.

KEPSA held a meeting with the Central Bank Governor, Dr. Patrick Njoroge on 10th May 2017 at the Sarova Stanley Hotel, Nairobi, to have a conversation on the effects of the new regulation on interest rates capping as envisaged in the Banking Amendment Act 2016 and chart a way forward on the issue surrounding cost of credit. The dialogue sparked from the survey that KEPSA conducted on its membership dubbed the Private Sector Survey on the Interest Rates Capping in Kenya.

Key highlights of the findings of the survey

On the effect of the interest capping on banks' lending to businesses, the survey revealed that 83% of the respondents from the banking industry reported reduced lending in the past 6 months following the capping of the interest rates, 9% reported neutral effect and 9% increased lending.

These results were consistent with the data from the CBK that shows reduced lending with a downward trend in the Growth of Credit to Private sector - from 19.8% in Oct 2015 to 4.7% in Oct 2016, before stabilizing at around 4.5% between December 2016 and March 2017. It is equally important to note the trends as observed in the survey cannot be exclusively linked to the interest capping.

- ▶ On the effect of the interest rate capping on nonbank private sector borrowers, the survey revealed that 52% of all non-banking businesses were of the opinion that the capping of interest rates was favourable to their business needs, while 31% were of the opinion that it was unfavourable, some 17% said it had no effect at all on their borrowing needs.
- ▶ Further, the results show that a majority of the borrowers (44%) depended on loan facilities as their primary source of financing, while 35% depend on savings and 21% on other undefined sources. On overall, 83% of the respondents said they have benefited from a loan facility in Kenya.
- ▶ On whether interest rate capping should continue or be repealed, 63% of the respondents were in favour of continuance of interest rate capping while 37% were of the opinion that it be repealed. Those in support of the capping were; 22% of the banking institutions and 73% of the borrowers (non-banks), 58% of the BMOs and 66% of the corporates; while those who expressed opinion that capping should not continue include; 78% of the banking institutions, 27% of the borrowers (non-banking institutions), 42% of the BMOs, and 34% of the Corporates.
- ▶ Similarly, the large enterprises were split in half (50-50) in support of the capping vs against it, the Micro enterprises 70%-30%, Small 67%-33% and Medium Enterprises 77%-23% respectively.

BUSINESS HUB



KEPSA high level CEOs meeting with Jack Ma held on 20th July 2017

The Business Hub, a strategic business unit within KEPSA was birthed from strategic partnerships that KEPSA entered into around the world and in Kenya with the sole purpose of enhancing trade and investments both locally and internationally as well as generating income to the organization.

The Business Hub was launched and established on 27th April 2017 during the KEPSA Annual General Meeting (AGM). The Business hub is responsible for fostering private sector trade and investment in Kenya and internationally. The Business Hub was born out the frustrations that the private sector was facing in accessing trade and investment information, support and lack of structured ways of engagement from the public institutions in charge of trade and investment. Additionally, the Business Hub is a strategic avenue towards enhancing KEPSA's financial sustainability.

The newly established Hub has since received overwhelming requests from interested private sector investors eyeing the Kenyan market and EAC region. Similarly, the Business Hub has support and continues to receive request from Kenya investors longing to invest in outside economies.

Consequently, the Business Hub is an important arm of KEPSA that has been formed with the realization of a gap that touches on the following:

- ▶ Sustainability – The Business Hub will offer chargeable services through which income will be generated with a view to offering alternative financing mechanisms towards sustaining KEPSA's annual budget.
- ▶ There currently exists a trade imbalance between Kenya and most of its trading partners. There is need to facilitate Kenyan private sector to engage with their international counterparts towards closing the existing imbalance in trade.
- ▶ Trade facilitation agreements between KEPSA and both Kenyan and foreign governments as well as international private sector umbrella bodies are currently in existence but under-utilized. The Business Hub will use these strategic partnerships towards achieving its mandate.
- ▶ There is a need to Increase KEPSA membership by offering additional services that will boost member's satisfaction rate.

KEPSA and KENINVEST, through a strategic partnership, will work together towards increasing trade and investments in Kenya amongst other mutually agreed upon deliverables.

To date, KEPSA has signed several collaborative MoU's with counterparts with in the private sector both locally and internationally. However, in further cementing relations and growing trade across the borders KEPSA has recently signed MoU's with the following embassies in Kenya and continues to explore more collaborative similar partnerships:

- ▶ Embassy of Finland
- ▶ Embassy of Ireland



MoU signing between KEPSA and Finland on 5th March 2018

SUMMARY OF DELEGATIONS AND EXHIBITIONS: MARCH 2017 TO DATE

EVENT	DATE & VENUE
Doing business with Finland seminar	6 th March 2017 Norfolk the Fairmont Hotel, Nairobi
Africa CEO forum	21 st - 22 nd March Geneva, Switzerland
Germany Africa business forum	23 rd March 2017 Berlin, Germany
Business forum held alongside the state visit by H.E. the President of the Republic of Somalia	23 rd March 2017 Radisson Blu Hotel, Nairobi
Kenya - Morocco forum	24 th March 2017 Radisson Blu Hotel, Nairobi
Kenya – Saudi Arabia and Qatar business forum	10 th - 12 th April 2017 Villa Rosa Kempinski Hotel, Nairobi
The 3rd edition of the India steel expo 2017	19 th - 21 st April 2017 Bombay Exhibition Centre, Mumbai, India
Future industry - visitors program to Sweden	8 th -12 th May 2017 Sweden
Trade mission to Baku, Azerbaijan	June 2017
China trade week	29 th June to 1 st July KICC, Nairobi
High-level meeting on data for development in Africa	29 th -30 th June 2017 – Villa Rosa Kempinski Hotel, Nairobi
Turkey business forum	11 th July 2017 Intercontinental Hotel, Nairobi
A high level roundtable with Mr. Jack ma, the chairman of Alibaba	20 th July 2017 Villa Rosa Kempinski Hotel, Nairobi
US Africa Business Summit	Washington DC
Fully sponsored agriculture focused visit to Ireland aimed at exposing growing Kenyan businesses in the agricultural sector to trade and market opportunities in Ireland	19 th to 21 st September 2017 Ireland
Trump's trade policy on Africa - new expectations from trade policy	4 th October 2017 Sankara Hotel Nairobi
High level business conference - les Rencontres Africa	5 th to 6 th October 2017 Intercontinental Hotel, Nairobi
Conference and B2B meetings with a German business delegation	24 th October 2017 The Fairmont Norfolk Hotel, Nairobi
Turkey global business forum	1 st to 3 rd November 2017 Istanbul, Turkey
Business delegation from Bavaria, Germany networking event and b2b	14 th November 2017 The Fairmont Norfolk Hotel, Nairobi

EVENT	DATE & VENUE
Kenya Diaspora in Europe conference	15 th – 19 th November 2017 Dublin, Ireland
Belgium business forum	30 th November 2017 Radisson Blu Hotel, Nairobi
B2B with GINT global markets, a Portugal based company	13 th to 17 th November 2017 Nairobi
Africa 2017 forum	8 th - 9 th December 2017 Sharm el sheikh, Egypt
China-Africa industrial capacity cooperation exposition	13 th - 16 th December 2017 KICC, Nairobi
Pharmaceuticals & medical devices sectors buying mission - turkey (sponsored visit)	19 th - 22 nd December 2018 Turkey
Doing business with Finland seminar	6 th March 2018 The Fairmont Norfolk Hotel, Nairobi
High level Presidential event - Digital drivers: enabling the growth of Africa's digital economy	27 th February 2018 Strathmore University Law School, Nairobi
KEPSA VVIP welcome dinner for the MEDEF French business delegation	6 th March 2018 The Fairmont Norfolk Hotel, Nairobi
B2B meetings this morning with Turkish companies in the automotive industry	7 th March 2018 Intercontinental Hotel, Nairobi
Stars in Africa Conference	6 th – 7 th March 2018 Ihub, Nairobi
6th Edition of The Africa CEO Forum	26 th – 27 th March 2018 Abidjan - Ivory Coast
Partially sponsored business mission - 46th Istanbul international jewelry, watch & equipment fair	22 nd – 25 th March 2018 Istanbul, Turkey
B2B meetings with Turkish companies in the construction machinery sector	13 th March 2018 Hilton Hotel, Nairobi
Business forum held alongside a state visit by H.E President Uhuru Kenyatta to Maputo, Mozambique	29 th March – 1 st April, 2018 Maputo, Mozambique
Commonwealth Business Forum	16 th – 18 th April 2018 London, UK
Conference on Health Sector	23 rd April 2018 The Fairmont Norfolk Hotel, Nairobi
Made in Tanzania Business Forum	25 th to 28 th April 2018 KICC, Nairobi
High level address by the President of Djibouti H.E. Ismail Omar Guelleh together with the President of the Republic of Kenya H.E Uhuru Kenyatta on investment opportunities in Djibouti	9 th May 2018 Intercontinental Hotel, Nairobi
Forum on Kenya-China Cooperation	22 nd May 2018 Crown Plaza Hotel, , Nairobi

KEPSA FOUNDATION

The Foundation is a legal entity and the social arm of KEPSA launched in April 2015. Formed to champion socio economic transformation of Kenya through partnerships with the Government, county Governments and all other local and international organizations that share the objective. It seeks to focus on social issues in thematic sectors aimed at improving the business environment.

KEPSA FOUNDATION PILLARS



SUSTAINABILITY: Looks at potential investment areas to ensure sustainability of KEPSA and KEPSA Foundation



SOCIO-ECONOMIC TRANSFORMATION: Deals with social sectors that support the business community and country at large.



KNOWLEDGE: This will establish a Knowledge Institute to harness information within KEPSA that will be useful to KEPSA members e.g. Investment & business opportunities, economy, climate change etc. The institute will thus become an aggregator of business information.

KEPSA FOUNDATION LEADERSHIP

To effectively carry out its vision the Foundation added five new trustees to create a board of 15 Trustees and an Executive committee that guides its strategic and policy direction.

The key focus for the Foundation in this period has been:

- ▶ Implementing projects in line with the Foundation's key pillars and thematic areas
- ▶ Putting structures in place through development of the Foundation's Strategic Plan

KEPSA FOUNDATION PROJECTS

UNDER THE SOCIO-ECONOMIC TRANSFORMATION PILLAR

MKENYA DAIMA – NATIONAL VALUES



2017 was an election year and Mkenya Daima was actively involved in advocating for peaceful, free, fair and credible elections; non-violence, shunning divisive politics through the #WajibuWangu #Kagua kabla Kuchagua campaigns. This was achieved through:

- ▶ **Stakeholder Engagements:** With Civil Society Organisations, Religious leaders, student leaders, private sector, Judiciary, Independent Electoral and Boundaries Commission (IEBC), Security organs, Communications Authority, development partners, NCIC, etc
- ▶ **Media Engagements:** Through TV ads, Social/digital media, TV & radio interviews, press conferences and editorial pieces
- ▶ **Political Party Debates:** We partnered with media houses in organizing the Presidential debate, Governors and Deputy Governor's debates
- ▶ **Peace Pledges:** Signing of the peace pledge by leaders across the board including H.E President Uhuru Kenyatta. Over 350 pledges were signed.
- ▶ **Grass root Engagements:** To reach the community such as meeting with the business and community leaders in Kibra and the Mathare North peace walk/caravan

As a result, Mkenya Daima was invited, as a case study, by the ECOWAS Commission to a conference on leveraging the Power of Private Sector in Peacebuilding in West Africa, Abuja to explore causes of conflict across the continent in the past, and how the private sector can influence public engagement & governance to manage existing or future conflict.

AJIRA DIGITAL PROGRAM - YOUTH DEVELOPMENT



AJIRA Digital Project launch held on 10th April 2017 in Mombasa

A PPP initiative with the Ministry of ICT with funding from Rockefeller Foundation to implement phase 1 of the project. Ajira Digital aimed to introduce Kenyan youth to online work.

This was done by providing training and mentorship to 10,000 youth on online work with the overall objective of making Kenya a freelance hub and the global destination for online work by the year 2022. The training was done in Nairobi, Mombasa, Kisumu, Nakuru and Meru.

Achievements to date:

- ▶ 7168 (27.7% female) inexperienced youth and 125 youth experienced in online work were trained.
- ▶ Over 6000 were successfully placed with mentors
- ▶ Evaluation to establish project outcomes on-going

KEPSA has however received an approval for a No cost extension of the project to 31st December 2018. During this period the project will majorly focus on the supply side (creation of jobs) working with both the private and public sector.

KILIMANI POLICE STATION REDEVELOPMENT PROJECT – SECURITY



The Kilimani Police Station Redevelopment Project held on 12th June 2017

Falling under the security sector the Kilimani Police Station redevelopment pilot project aims at encouraging investment in community security and welfare through public private partnerships that work together to rehabilitate Police stations in order to provide a conducive environment for the police officers to undertake their duties and to live.

As part of its objective to establish a new fully equipped modern Police office block, a medical centre and a recreational centre the project has undertaken several preliminary activities including:

- ▶ Applying for the amalgamation of the Kilimani Police Station title deed to allow for proper documentation to carry out construction. Additionally,
- ▶ Finalization and submission of design plans to the Nairobi City County Government for approval.
- ▶ As part of the essential amenities, a borehole was successfully drilled and connected to provide water for general use within the station and for construction.
- ▶ Fundraising activities were also kicked off and are underway.
- ▶ Presented the project to the Cabinet Secretary Ministry of Interior and coordination of National government, Dr Fred Matiangi, and as a result the Government committed to giving Ksh 50M

Similar projects to be replicated in Karen, Muthaiga and Kilifi spearheaded by key community leaders in their specific areas.

BETTER BUSINESS PRACTICES FOR CHILDREN – CHILDREN WELFARE



Better Business Practices for Children team and the Oserian Development Company staff during a visit at the company's creche

Better Business Practices for Children (BBPC) is a UNICEF funded project that aims at improving maternal and infant through making the working environments conducive to supporting new mothers. This is done through strengthening technical capacity, lobbying and continued advocacy with private sector employers to implement the components of BBPC

Achievements to date:

- ▶ 206 Private sector companies sensitized on BBPC
- ▶ 12 BBPC champions identified
- ▶ Baseline line survey carried out to establish Knowledge, Attitude and Practices regarding BBPC among the private sector organizations
- ▶ Establishment of a mother's room at KEPSA
- ▶ As a result of advocacy 23 organizations have established Mother Rooms
- ▶ The passing of the Health Act 2017
- ▶ Ongoing compilation of BBPC best practices among private sector organizations
- ▶ Ongoing development of private sector workplace policies for BBPC that will provide guidance on how to implement BBPC at the organizational level

KIJANI MOVEMENT – ENVIRONMENT



Cabinet Secretary, Ministry of Environment and Forestry Keriako Tobiko shaking hand with KEPSA Foundation Manager Ms. Wahu Kagwi during the National Tree Planting Day held on 12th May 2018

The Kijani Movement is an afforestation and re-afforestation Multi-sectoral Initiative which seeks to bring together both the Public and the Private sectors to influence the planting of trees across the country, to help increase the overall forest cover.

Its objectives are:

- i. To influencing the planting of tree towards attaining the 10% forest cover in 2022
- ii. To inculcate a culture of appreciating forestry amongst Kenyans.
- iii. To contribute towards the Government's tree planting objectives and goals.

Through the movement KEPSA participated in the launch of the National Tree planting initiative dubbed "Panda Miti Penda Kenya" presided over by H.E President Uhuru Kenyatta. Through the membership KEPSA raised funds for approximately 50,000 seedlings.

THE AFRICA VENTURE PHILANTHROPY ALLIANCE – SOCIAL IMPACT INVESTMENT

KEPSA Foundation is part of the Kenya Local Host Committee and Strategic Advisory Group (SAG) that is steering the formation of the Africa Venture Philanthropy Alliance (AVPA) in Kenya. The Association aims at advancing social investment in Africa that will aid in tackling social challenges by creating a platform for attracting and connecting diverse parties who desire to engage in social development.

In March 2018 the Strategic Advisory Group held its inaugural conference themed “Transforming the social investment Ecosystem in Africa” to create awareness and discuss the formation strategy of the Pan African Network under the banner African Venture Philanthropy Alliance

UNDER THE KNOWLEDGE PILLAR

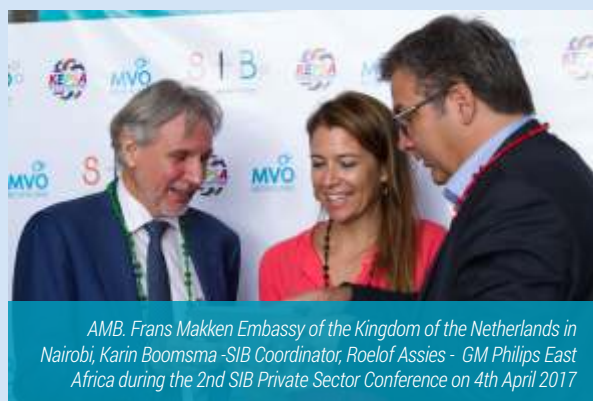
SUSTAINABLE INCLUSIVE BUSINESS (K) (SIB)



KEPSA CEO Ms. Carole Kariuki during the 3rd Private Sector Conference on Sustainable Inclusive Business held on 4th May 2018 at USIU-A

SIB Kenya has committed to empower businesses, support and connect them to reduce their footprint and raise their positive impact in society – indirectly and directly connecting with the Sustainable Development Goals (SDGs). To achieve this, SIB Kenya has embarked on:

- **Research and publication:** Did a research and publication on the state of Inclusive Business in Kenya, challenges and opportunities covering 51 Inclusive Businesses. Additionally, supported 2 sustainable businesses to set up in Kenya by providing research on viability and market possibilities



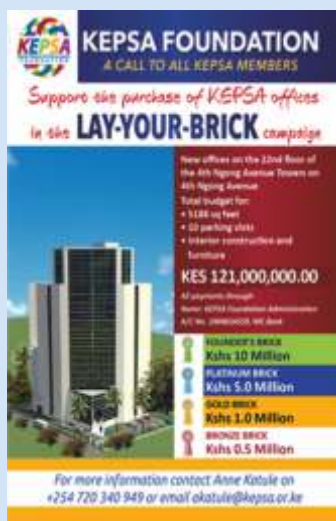
A.M.B. Frans Makken Embassy of the Kingdom of the Netherlands in Nairobi, Karin Boomsma -SIB Coordinator, Roelof Assies - GM Philips East Africa during the 2nd SIB Private Sector Conference on 4th April 2017

- **Increasing Sustainable Inclusive Business Knowledge:**
By engaging SMEs, Corporations, Academia and NGOs at the annual conferences. SIBKenya held 2 successful annual conferences within the reporting period that has each brought together over 300 hundred participants:
 - i. The 2nd Annual Private Sector Sustainable inclusive business conference held in April 2017 and was themed 'Smart Sustainable and Inclusive Business'.
 - ii. The 3rd Annual Private Sector Sustainable inclusive business conference held in May 2018 themed 'New Economy, Transformation and Future Proof Business'
- **Increasing Sustainable Inclusive Business Practice:**
By holding 7 private sector roundtable meetings on varies topics e.g. 'Corporate Governance & Ethics, Waste and Recycling, Food Security' as well as through training and capacity building.
- **Creating Awareness:** through the SIB Kenya portal attracting 230 unique visitors in Kenya; social media, effectively reaching approximately 950 people directly; Monthly newspaper articles and 4 TV interviews, moderating and speaking at workshops and events.
- **Impact Assessment:** Developed an impact measurement tool alongside a partner, BLAB to helping businesses measure their impact and establish areas of improvement. Currently working with 6 SMEs in the Agri sector.

- **Partnerships:** Match making between businesses locally and internationally. This has led to 13 match makes that have resulted in partnerships and increased business opportunities. SIBKenya has also grown and developed four partnerships with likeminded organisations leading to projects

UNDER THE SUSTAINABILITY PILLAR

OFFICE SPACE ACQUISITION



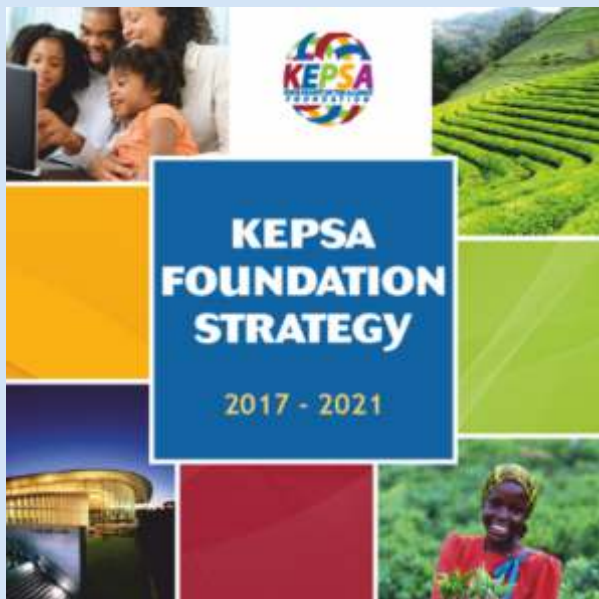
KEPSA Foundation continued with its efforts to acquire new offices that will enable KEPSA move into its own space as a way of enhancing sustainability. Kicking off fundraising activities Chandaria Foundation contributed Ksh 10 M towards as the deposit for the purchase of the office space.

The Foundation has a structured system for members to support the acquisition of this space through financial contribution and sponsorship through the *Lay-Your-Brick campaign* where one can buy a brick as follows:

FOUNDER'S BRICK	KSH 10,000,000
PLATINUM BRICK	KSH 5,000,000
GOLD BRICK	KSH 3,000,000
BRONZE BRICK	KSH 1,000,000

The campaign intends to raise Ksh 130,000,000 towards purchase, fit out and all other costs related to the acquisition of the new premises

KEPSA FOUNDATION STRATEGY



The Foundation Strategic Plan was finalized and approved. It is anchored on the 3 key pillars and outlines the mandate as a Project facilitator that will act as a grant manager and knowledge exchange node. The implementation of the Foundation strategy is to be rolled out in January 2018 and will include:

- Putting committees in place to run with the three pillars i.e. The Sustainability pillar, the socio economic transformation pillar and the Knowledge Institute
- Pooling of finances/ grants to fund similar social economic activities
- Building wider and stronger social and business eco-systems

OPERATIONS

MEMBERSHIP DEVELOPMENT

INTRODUCTION OF NEW MEMBERSHIP CATEGORIES

The following new membership categories were created to specifically cater for businesses that have been in operation for less than 10 years.

CATEGORY	DETAILS OF REGISTRATION	JOINING FEE (ONE-OFF)	ANNUAL SUBSCRIPTION
START-UP	LESS THAN 2 YEARS	10,000/=	N/A
SME TIER 1	MORE THAN 2 YEARS BUT LESS THAN 5 YEARS	10,000/=	20,000/=
SME TIER 2	MORE THAN 5 YEARS BUT LESS THAN 10 YEARS	10,000/=	50,000/=

NEW MEMBERS

The following new members joined in various categories:

MEMBERSHIP CATEGORY	NUMBER OF MEMBERS (MAY 2017 – MAY 2018)
BUSINESS MEMBERSHIP ORGANIZATIONS (BMO'S)	6
CORPORATE - PLATINUM	8
CORPORATE - DIAMOND	2
CORPORATE - GOLD	6
CORPORATE - SILVER	26
SME - TIER 1	5
SME - TIER 2	2
START-UPS	8

MEMBERS NETWORKING EVENTS



KEPSA End of Year member's cocktail held on 7th December 2017 at Intercontinental Hotel

Members continued to network through the PPD engagements and other forums. In addition, we hosted a members' dinner during the 2017 Annual General Meeting in May 2017 and an end of year cocktail on 7th December 2017.

INTERNATIONAL CHAMBER OF COMMERCE-KENYA



ICC directors from L- Mr. Samuel Nderitu, Eng. Patrick Obath, Ms. Grace Kanyiri and Mr. Nick Munyi

The International Chamber of Commerce-Kenya was established in 2016 and held a Special General Meeting in March 2017 to elect the leadership. The following were elected to constitute the first board of directors:

MR. PATRICK OBATH
CHAIRMAN (KENYA PRIVATE SECTOR ALLIANCE)

MR. SAMUEL NDERITU
DIRECTOR (CHARTERED INSTITUTE OF ARBITRATORS)

MS. GRACE KANYIRI
DIRECTOR (FEDERATION OF KENYA EMPLOYERS)

MR. NICK MUNYI
DIRECTOR (EAST AFRICAN TEA TRADE ASSOCIATION)

In April 2017, International Chamber of Commerce-Kenya submitted a proposal to Headquarters for the Chairman to be considered for a position in the Executive Board in July 2017. The proposal was successful and Mr. Patrick Obath is now a member of the Executive Board.

In honour of establishment of a Kenyan Chapter, the International Chamber of Commerce decided to hold the annual World Council General Assembly in Kenya at Intercontinental Hotel from 5th – 7th June 2017.

1. International Bar Association conference on International Arbitration in East Africa (open)
2. Executive Board Meetings (closed door)
3. World Trade Agenda (open)

Following a request from Headquarters to identify a nominee to be appointed to the International Court of Arbitration, current members were requested to submit two nominees each for consideration. The board scrutinized the CVs on 13th February 2018 and made their recommendation.

The International Chamber of Commerce works through 11 Commissions, which are the organs through which business experts examine major issues of interest to world business and prepare policy products including statements to contribute to intergovernmental discussions, rules and codes to facilitate international business transactions. The process of establishing the first Commission on Arbitration and ADR has commenced led by the Chartered Institute of Arbitrators, The Law Society of Kenya and Strathmore Dispute Resolution Center.

This will be followed by the Banking Commission led by the Kenya Bankers Association.

A gala dinner was hosted for all the participants when the Kenyan Chapter was formally launched and announcement made of Mr. Obath's appointment to the Executive Board.

The meetings were attended by delegations from all over the world led by the Chairman and the Secretary General. International Chamber of Commerce-Kenya provided support in local logistics, application for Visas for international participants and arranging for meetings with Government representatives.

The Chairman and KEPSA CEO joined a delegation of the Kenya National Chamber of Commerce & Industry that travelled to Sydney Australia to attend the 10th World Chambers Congress (WCF) as a benchmarking mission in preparation for bidding to host the 12th WCF in 2021.



10th World Chambers Congress held from 19th-21st September 2017 in Sydney, Australia

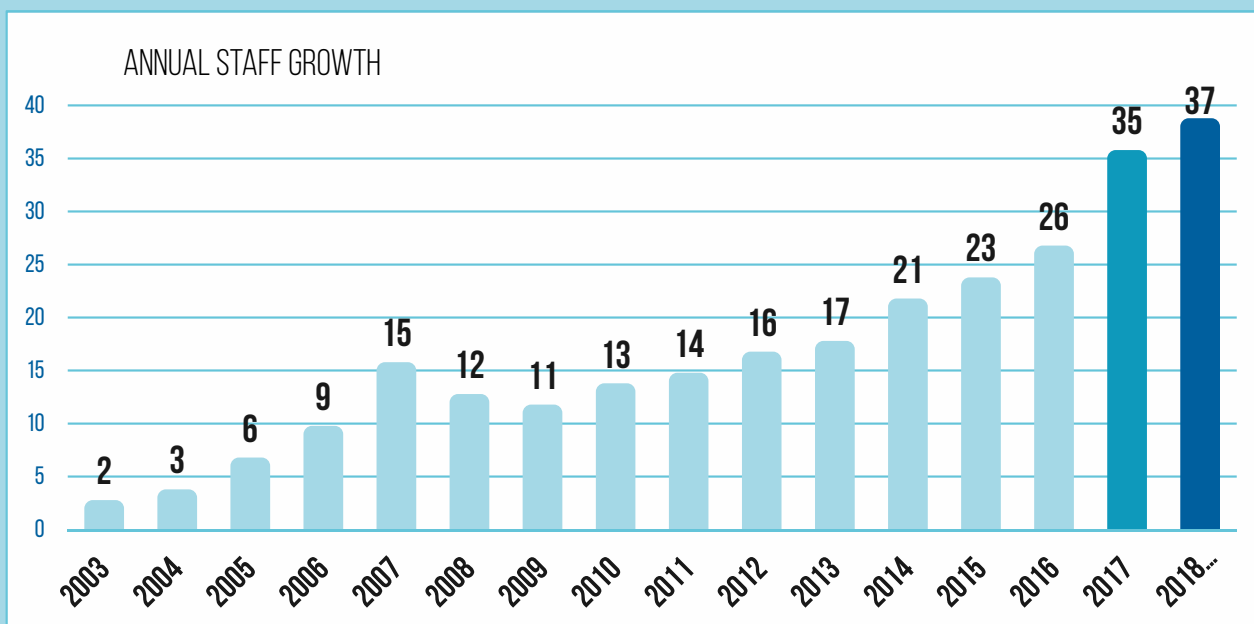
Members' Activities – members have had the opportunity to participate in the work of the Headquarters, mainly by providing input in the policy work. All communication from the headquarters is shared through dropbox. There has also been a lot of opportunities for members to participate in conferences. In this regard, ICC Kenya got a complimentary slot to the 3rd ICC Africa conference on international arbitration scheduled for 18-19 June 2018 in Lagos, Nigeria. The slot was passed on to the Chartered Institute of Arbitrators which has appointed a representative.

Locally, a conference on International Arbitration was conducted on 6th December 2017 to enlighten members on how to include arbitration clauses in their international contracts. This was hosted in conjunction with Jmiles & Company. Discussions are underway to hold a follow-up conference as a way of sensitizing members on the uptake of arbitration and ADR. The next conference has been scheduled for June 2018.

Current List of Members

BRITISH CHAMBER OF COMMERCE KENYA	KENYA INTERNATIONAL FREIGHT & WAREHOUSING ASSOCIATION
BLUE SKY FILMS EPZ LIMITED	KENYA NATIONAL CHAMBER OF COMMERCE & INDUSTRY
CHARTERED INSTITUTE OF ARBITRATORS	LAW SOCIETY OF KENYA
DELEGATION OF GERMAN INDUSTRY & COMMERCE OF KENYA	MEREKA & COMPANY ADVOCATES
EAST AFRICAN TEA TRADE ASSOCIATION	SEED TRADE ASSOCIATION OF KENYA
FEDERATION OF KENYA EMPLOYERS	THE NEST ARTS COMPANY LIMITED (HEVA FUND)
KENYA BANKERS ASSOCIATION	

HUMAN RESOURCES & ADMINISTRATION



NEW STAFF IN 2017

Deputy PPD, Marketing and Membership Officer, Investments Officer, Project Officer-Ajira Project and IT Assistant.

Positions filled in 2018 in line with the KEPSA 2014-2018 Business Strategy - A Foundation Manager, PPD Manager and a Media & PR firm have been recruited.

STAFF CAPACITY BUILDING



KEPSA management during a Centonomy training on 12th May 2017 at KEPSA Offices

84% of the employees attended short courses based on the performance and growth gaps identified during their 2017 performance appraisals. The Committee had also proposed a financial management training for all KEPSA employees which took place on 12th May, 2017. The aim of the training was to empower the KEPSA employees to manage their finances and enhance their financial literacy. The outcome has been good based on the investment plans undertaken by staff after the training.

The Committee commended this and asked that such trainings should be held frequently to empower employees. The Committee also noted that KEPSA employees are members of Kentours Sacco and some have also joined Stima Sacco.

ESTABLISHMENT OF A MOTHER'S ROOM AT KEPSA IN PARTNERSHIP WITH UNICEF



KEPSA Mother's room that is a fully equipped lactation station in compliance with the Health Act requirements

This is a legal requirement under Article 71 (1) of the Health Act, that requires all employers to establish lactation station which shall be adequately provided with necessary equipment and facilities including hand washing equipment, refrigerators or appropriate cooling facilities, electrical outlets for breast pumps, a small table, comfortable seats the standard of which shall be defined by the Ministry responsible for matters relating to health.

KEPSA is using this station to encourage its members to set up similar ones for their employees and visitors as we advocate for Better Business Practices for Children.

INSTALLATION OF A BIOMETRIC FINGERPRINT TECHNOLOGY



This was installed in August, 2017 to manage employee attendance and security in the office. This became necessary after the organization lost 6 laptops within a span of 1 year.

RENOVATION OF KEPSA OFFICES TO ACCOMMODATE THE KEPSA FOUNDATION TEAM

This was finalized in August, 2017 to cut on the costs of paying for an extra office which was not being fully utilized.

KEPSA LEADERSHIP INDUCTION HELD FROM 25TH – 27TH MAY, 2017 AT ENASHIPAI RESORT AND SPA -



Mr. Polycarp Igathe receives a gift for his excellent service to KEPSA as a Director, Trustee, and Co-Chair of Mkenya Daima during the KEPSA Leaders Induction held from 25th -27th May 2017 at Enashipai Lodge

As a KEPSA tradition, KEPSA held its leadership and induction retreat to brief the current KEPSA leadership on their roles and responsibilities, the functions of the management, the mandate, and the ongoing work at KEPSA. The retreat also serves as an opportunity for the leaders to get to know the KEPSA Officers whom they will be working together with. The retreat was attended by the KEPSA Board Members, KEPSA Trustees, KEPSA Governing Council members, and KEPSA management and Advisors.

The background is a blue-tinted photograph of a woman with dark hair, wearing a patterned dress and high heels, speaking into a microphone at a podium. Behind her are large circular logos. One logo on the left says 'ANNUAL TAX SUMMIT' and 'REFORMA FISCAL 2017' with a lion emblem. Another logo on the right is partially visible. To the left of the woman, text reads 'THE 3RD TAX'.

FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2017

COMPANY INFORMATION

Board of directors

Mr. Nicholas Nesbitt - Chairman
Ms. Rita Kavashe - Vice Chair
Ms. Patricia Ithau
Mr. Muhoho Kenyatta
Ms. Brenda Mbathi
Mr. Jeremy Awori
Ms. Lucy Karume
Ms. Flora Mutahi
Mr. Isaac Okeru
Mr. Graham Shaw
Mr. Jaswinder Bedi
Ms. Catherine Musakali
Mr. Li Quing
Eng. Erastus Mwongera
Amb. Dennis Awori
Mr. Sam Shollei

Company secretary

Anastacia Kioko Mululu
Archer and Wilcock Advocates
Elgeyo Marakwet Close
P.O. Box 10201 - 00400
Nairobi,
Kenya.

Registered office

L.R. No.209/8592/1
5th Floor, Shelter Afrique Building
Mamlaka Road
P.O. Box 3556 - 00100
Nairobi,
Kenya.

Independent auditor

RSM Eastern Africa
Certified Public Accountants
1st Floor, Pacis Centre,
Slip Road, off Waiyaki Way, Westlands
P.O. Box 349 - 00606
Nairobi,
Kenya.

Principal bankers

NIC Bank Limited
City Centre Branch
P.O. Box 44599 - 00100
Nairobi,
Kenya.

KCB Bank Kenya Limited
Kipande House Branch
P.O. Box 30012 - 00100
Nairobi,
Kenya.

REPORT OF THE DIRECTORS

The directors submit their report together with the audited financial statements for the year ended 31st December 2017.

Directorate

The directors who held office during the year and to the date of this report are set out on page 1.

Principal activities

The organization seeks to bring together the private sector representative organizations to enable them to speak with one voice so as to influence public policy formulation. Through constructive dialogue KEPSA engages the government in the formulation and implementation of pro-growth policies that maximize competitiveness and create wealth.

Business review

"The organization's turnover is mainly made up of membership subscriptions and Public Private Dialogue(PPD)/project funds. In 2017, there was increased income made up of PPD/projects funds as a result of new funding to support PPD/projects activities. There was a deficit in the general funds due to completion of several funding that previously funded some of activities in the current year. Negotiations for replenishment by either the same or new partners have commenced, but were affected by the extended electioneering period and the funding is expected to be received at the end of first or beginning of second quarter of 2018.

The expenditure met by the organization is made up of administration/operating costs and PPD/project costs. The PPD/projects expenditures went up mainly due to the new projects. There was reduced activities in public-private dialogue engagements with the Government reduced due to the extended election period.

Equity over the years has been dictated by the surplus/deficits experienced during the periods.

Statement as to disclosure to the company's auditor

With respect to each director at the time this report was approved:

- (a) there is, so far as the person is aware, no relevant audit information of which the company's auditor is unaware; and
- (b) the person has taken all the steps that the person ought to have taken as a director so as to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Terms of appointment of the auditor

The directors approve the annual audit engagement contract, which sets out the terms of the auditor's appointment and the related fees. The agreed auditor's remuneration of KSh 522,000 has been charged to profit or loss in the year.

By order of the board



Chairman, KEPSA Board

Nairobi *27th April* 2018

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Kenyan Companies Act, 2015 requires the directors to prepare financial statements for each financial year that give a true and fair view of the financial position of the company as at the end of the financial year and of its profit or loss for that year. It also requires the directors to ensure that the company keeps proper accounting records that: (a) show and explain the transactions of the company; (b) disclose, with reasonable accuracy, the financial position of the company; and (c) enable the directors to ensure that every financial statement required to be prepared complies with the requirements of the Companies Act, 2015.

The directors accept responsibility for the preparation and presentation of these financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and in the manner required by the Kenyan Companies Act, 2015. They also accept responsibility for:

- i) designing, implementing and maintaining such internal control as they determine necessary to enable the presentation of financial statements that are free from material misstatement, whether due to fraud or error;
- ii) selecting suitable accounting policies and applying them consistently; and
- iii) making accounting estimates and judgements that are reasonable in the circumstances.

Having made an assessment of the company's ability to continue as a going concern, the directors are not aware of any material uncertainties related to events or conditions that may cast doubt upon the company's ability to continue as a going concern.

The directors acknowledge that the independent audit of the financial statements does not relieve them of their responsibilities.

Approved by the board of directors on *27th April* 2018 and signed on its behalf by:



Chairman, KEPSA Board



Director

REPORT OF THE INDEPENDENT AUDITOR

Opinion

We have audited the accompanying financial statements of Kenya Private Sector Alliance, set out on pages 6 to 16, which comprise the balance sheet as at 31st December 2017, the profit and loss account and statements of changes in equity and cash flows for the year then ended, and notes, including a summary of significant accounting policies.

In our opinion the accompanying financial statements give a true and fair view of the financial position of the company as at 31st December 2017 and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the Kenyan Companies Act, 2015.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Kenya, and we have fulfilled our ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The directors are responsible for the other information. Other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Directors' responsibility for the financial statements

The directors are responsible for the preparation and fair presentation of the financial statements that give a true and fair view in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Kenyan Companies Act, 2015, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

REPORT OF THE INDEPENDENT AUDITOR

Auditor's responsibilities for the audit of the financial statements (continued)

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other matters prescribed by the Kenyan Companies Act, 2015

In our opinion the information given in the report of the directors on page 2 is consistent with the financial statements.

The engagement partner responsible for the audit resulting in this independent auditor's report was CPA Elvis Ogeto, Practising Certificate No. 2303.

RSM Eastern Africa

**RSM Eastern Africa
Certified Public Accountants
Nairobi**

27th April
..... 2018

078/2018

PROFIT AND LOSS ACCOUNT

	Note	General fund		Public Private Dialogue and projects fund		Total	
		2017	2016	2017	2016	2017	2016
		KSh	KSh	KSh	KSh	KSh	KSh
Public Private Dialogue and Project funds	4	-	-	137,269,351	80,295,119	137,269,351	80,295,119
Depreciation met through capital grants	10	2,036,716	2,004,641	-	-	2,036,716	2,004,641
Non cash donations		-	964,498	-	-	-	964,498
Membership subscriptions	5	64,618,848	59,704,903	-	-	64,618,848	59,704,903
Other income	6	7,397,565	11,954,345	670,224	-	8,067,789	11,954,345
Total income		74,053,129	74,628,387	137,939,575	80,295,119	211,992,704	154,923,506
Administrative expenses	7	(98,594,051)	-94,600,269	(10,750,867)	-14,717,771	(109,344,918)	-109,318,040
Establishment expenses	8	(15,139,848)	-18,413,971	(281,155)	-201,043	(15,421,003)	-18,615,014
Public Private Dialogue and Project costs	9	-	-	(112,206,869)	-85,376,054	(112,206,869)	-85,376,054
(Deficit)/surplus for the year		(39,680,770)	-38,385,853	14,700,684	-19,999,749	(24,980,086)	(58,385,602)

BALANCE SHEET

	Note	2017 KSh	2016 KSh
FUND BALANCES			
General fund		32,278,264	71,959,034
Public Private Dialogue and Projects fund	4	54,371,217	39,670,533
		86,649,481	111,629,567
Non-current liabilities			
Capital grant	10	7,540,828	9,320,949
		94,190,309	120,950,516
REPRESENTED BY			
Non-current assets			
Property and equipment	11	5,313,900	6,977,921
Intangible asset	12	1,188,041	2,333,891
		6,501,941	9,311,812
Current assets			
Trade and other receivables	13	7,493,971	7,905,898
Financial assets at amortised cost	14	32,137,474	88,241,182
Cash at bank and in hand	15	66,018,601	48,575,863
		105,650,046	144,722,943
Current liabilities			
Trade and other payables	16	17,961,678	33,084,239
Net current assets		87,688,368	111,638,704
		94,190,309	120,950,516

The financial statements on pages 6 to 16 were authorised for issue by the board of directors on 27th April 2018 and were signed on its behalf by:


Chairman, KEPSA Board


Director

CHANGES IN FUND BALANCES

	General fund KSh	Public Private Dialogue and Projects fund KSh	Total KSh
At 1st January 2016	110,344,887	59,670,282	170,015,169
Deficit for the year	-38,385,853	-19,999,749	-58,385,602
At 31st December 2016	71,959,034	39,670,533	111,629,567
At 1st January 2017	71,959,034	39,670,533	111,629,567
(Deficit)/surplus for the year	-39,680,770	14,700,684	-24,980,086
At 31st December 2017	32,278,264	54,371,217	86,649,481

STATEMENT OF CASH FLOWS

	Note	2017 KSh	2016 KSh
Cash flows from operating activities			
Deficit for the year		-24,980,086	-58,385,602
Adjustments for:			
Depreciation of property and equipment	11	2,490,990	2,622,132
Amortisation of intangible assets	12	1,255,919	1,392,512
Accumulated depreciation on donated assets	11	-	2,843,133
Interest income	6	-5,341,081	-7,018,773
Capital grant transfer to income statement	10	-2,036,716	-2,004,641
Changes in operating assets and liabilities:			
Decrease/(increase) in trade and other receivables		411,927	-131,148
(Decrease)/increase in trade and other payables		-15,122,561	20,295,240
		-43,321,608	-40,387,147
Cash generated from operations			
Interest received	6	5,341,081	7,018,773
Net cash used in operating activities		-37,980,527	-33,368,374
Cash flows from investing activities			
Purchase of property and equipment	11	-826,969	-4,931,546
Disposal/(purchase) of financial assets at amortised cost	14	56,103,708	-26,454,106
Purchase of intangible asset	12	-110,069	-220,641
Net cash generated from/(used in) investing activities		55,166,670	-31,606,293
Cash flows from financing activities			
Capital grant	10	256,595	1,049,055
Net cash generated from financing activities		256,595	1,049,055
Net increase/(decrease) in cash and cash equivalents		17,442,738	-63,925,612
Cash and cash equivalents at start of year		48,575,863	112,501,475
Cash and cash equivalents at end of year	15	66,018,601	48,575,863

1. General information

Kenya Private Sector Alliance (a company limited by guarantee) is domiciled in Kenya where it is incorporated under the Kenyan Companies Act, 2015 as a private company limited by guarantee. The address of its registered office and principal place of business is L.R. No.209/8592/1, 5th Floor, Shelter Afrique Building, Mamlaka Road, P.O. Box 3556-00100, Nairobi, Kenya. The principal activities of the company are to bring together the private sector representative organizations to enable them to speak with one voice so as to influence public policy formulation. Through constructive dialogue KEPSA engages the government in the formulation and implementation of pro-growth policies that maximize competitiveness and create wealth.

2. Basis of preparation and summary of significant accounting policies

These financial statements have been prepared on a going concern basis and in compliance with the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs) issued by the International Accounting Standards Board. The financial statements are presented in Kenya Shillings (KSh). The measurement basis used is the historical cost basis except where otherwise stated in the accounting policies below.

Revenue recognition

Subscription income from the members is recognised on accrual basis.

As per Income Tax Act Section 21(2), KEPSA is a trade association and therefore membership subscription (entrance fees and annual subscriptions) are not taxable.

Project funds from partners are recognised when received.

Interest income is recognised on a time proportion basis using the effective interest method.

Translation of foreign currencies

All transactions in foreign currencies are initially recorded in Kenya Shillings, using the spot rate at the date of the transaction. Foreign currency monetary items at the reporting date are translated using the closing rate. All exchange differences arising on settlement or translation are recognised in profit or loss.

Property and equipment

Items of property and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The following annual rates are used for the depreciation of property and equipment:

Computers, copiers and faxes	33.33 per cent
Furniture, fittings and equipment	12.50 per cent

If there is an indication that there has been a significant change in the useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

On disposal, the difference between the net disposal proceeds and the carrying amount of the item sold is recognised in profit or loss.

Intangible assets

Intangible assets comprise purchased computer software and are stated at cost less accumulated amortisation and any accumulated impairment losses. They are amortised over their estimated life of five years using the straight-line method. If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new expectations.

2. Basis of preparation and summary of significant accounting policies (continued)

Financial assets

Trade and other receivables are initially recognised at the transaction price. Most sales are made on the basis of normal credit terms, and the receivables do not bear interest. Where credit is extended beyond normal credit terms, receivables are measured at amortised cost using the effective interest method. Debt instruments such as Treasury bills or corporate bonds are initially recognised at the transaction price including transaction costs, and subsequently measured at amortised cost using the effective interest method.

At the end of each reporting period, the carrying amounts of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in profit or loss.

Impairment of non-financial assets

At each reporting date, property and equipment, and intangible assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount (selling price less costs to complete and sell, in the case of inventories), but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (group of related assets) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Financial liabilities

Financial liabilities are initially recognised at the transaction price (less transaction costs). Trade payables are obligations on the basis of normal credit terms and do not bear interest. Interest bearing liabilities are subsequently measured at amortised cost using the effective interest method.

Leases

Rentals payable under operating leases are charged to income statement on a straight-line basis over the term of the relevant lease.

Cash and cash equivalents

Cash and cash equivalents include cash in hand and demand and term deposits, with maturities of three months or less from the date of acquisition, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, net of bank overdrafts. In the balance sheet, bank overdrafts are included as borrowings under current liabilities.

Capital grants

Grants relating to property, plant and equipment are credited to the capital grants in the year in which they are received. Annually, an amount equal to the depreciation charge is transferred to the accumulated fund.

Post-employment benefit obligations

The company operates a defined contribution retirement benefits plan for its employees, the assets of which are held in a separate trustee administered scheme managed by an insurance company. A defined contribution plan is a plan under which the company pays fixed contributions into a separate fund, and has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current or prior periods. The company's contributions are charged to the income statement in the year to which they relate.

The company and the employees also contribute to the National Social Security Fund (NSSF), a national defined contribution scheme. Contributions are determined by local statute and the company's contributions are charged to profit or loss in the year to which they relate.

3. Judgements and key sources of estimation uncertainty

No significant judgements have had to be made by the directors in preparing these financial statements.

4. Public Private Dialogue and Projects

The organization's turnover is mainly made up Membership subscriptions and Public Private Dialogue(PPD)/project funds. In 2017 there was increased income in PPD/projects Funds as a result of new funding to support PPD/projects activities. There was a deficit in general funds due to completion of several funding that previously funded some of activities in the current year. Negotiations for replenishment by the same and new partners have commenced which was affected by the extended electioneering period and expected to be received at the end of first and beginning of second quarter of 2018.

The expenditure met by the organization is made up of administration/operating costs and PPD/project costs. The PPD/projects expenditures went up mainly due to the new projects. The activities in public-private dialogue engagements with the Government reduced due to the election period which extended more than expected.

Equity over the years has been dictated by the surplus/deficits experienced during the periods.

	Outstanding as at 1st January 2017	Received during the year	Utilised during the year	Interest	Net balance as at 31st December 2017
	KSh	KSh	KSh	KSh	KSh
KEPSA Public Private Dialogue Funds					
Enhancing Private Sector Participation In Government Reform	1,154,288	-881,104	-238,600	-	34,584
Institutional Strengthening and Policy Support Programme	7,269,462	-	-1,577,566	42,270	5,734,166
Promoting Sustainable Consumption and Production Practices and Eco- entrepreneurship	4,469,406	7,730,638	-2,573,221	-	9,626,823
Improving Business Environment to Deepen Trade and Investment for the Kenyan Private Sector	-	5,578,125	-7,622,001	-	-2,043,876
SME Policy Index Study, Presidential Round Table on NBA II and County Own Revenue Policy and Tax Bill	-	8,417,531	-4,284,569	-	4,132,962
Improving Business Environment and Market Access to Enhance Kenyan Trade	158,020	-	-40,844	-	117,176
Business Sector Programme Support	426,125	-	-29,600	-	396,525
KEPSA Foundation Projects					
Support for Better Business Practices for Children	159,674	9,542,862	-5,988,456	33,872	3,747,952
Mkenya Daima Project	25,985,760	3,175,000	-27,187,064	-	1,973,696
Ajira Digital Project	-	87,547,940	-64,880,967	550,638	23,217,611
Supporting Sustainable and Inclusive Business(SIBs) Sustainability Strategy 2017- 2018	-	16,045,026	-8,757,808	42,723	7,329,941
Kilimani Police Station Redev. Project	-	106,733	-3,797	721	103,657
Social Investment Focused Agenda	47,798	6,600	-54,398	-	-
	39,670,533	137,269,351	(123,238,891)	670,224	54,371,217

NOTES

4. Public Private Dialogue Funds and Projects (continued)

	Outstanding as at 1st January 2016 KSh	Received during the year KSh	Utilised during the year KSh	Balance as at 31st December 2016 KSh
KEPSA Public Private Dialogue Funds				
National Corruption Prevention Pact	1,058,775	-	-632,650	426,125
Community Empowerment to Access and Justice	(23,396,712)	26,660,353	-3,105,621	158,020
Business Sector Programme Support	(709,181)	808,000	1,055,469	1,154,288
Improving Business Environment and Market Access to Enhance Kenyan Trade	18,392,449	41,270,533	-52,393,520	7,269,462
Enhancing Private Sector Participation In Government Reform	2,833,046	4,281,101	-2,644,741	4,469,406
KEPSA Foundation Projects				
Mkenya Daima Project	-	5,208,731	-5,049,058	159,674
Institutional Strengthening and Policy Support Programme	61,491,905	1,389,251	-36,895,396	25,985,760
Promoting Sustainable Consumption and Production Practices	-	677,150	-629,352	47,798
	59,670,282	80,295,119	(100,294,869)	39,670,533

5. Membership subscriptions

Membership subscriptions

2017 KSh	2016 KSh
64,618,848	59,704,903

6. Other income

Bank interest
Events
Gain on disposal of assets
Net foreign exchange gain

2017 KSh	2016 KSh
5,341,081	7,018,773
2,098,243	4,921,522
266,040	14,050
362,425	-
8,067,789	11,954,345

7. Administrative expenses

Employment:

Salaries and wages
NSSF
Staff development
Staff provident fund
Staff medical
Staff welfare
Staff transport

2017 KSh	2016 KSh
91,481,130	74,170,614
439,560	378,898
1,097,469	3,762,705
4,872,534	3,272,557
4,276,339	3,408,013
1,108,599	1,030,923
801,573	340,115
104,077,204	86,363,825

Total employment costs

* Directors do not earn any remuneration, their services are on voluntary basis.

	2017 KSh	2016 KSh
7. Administrative expenses (continued)		
Other administration expenses:		
Telephone, fax and postage	259,551	364,403
Parking	623,903	816,358
Internet and website	1,900,411	1,175,952
Printing, stationery and office supplies	1,654,684	1,439,217
Audit fees	522,000	522,000
Office equipment and furniture maintenance	2,023,199	1,163,686
Legal and professional fees	169,138	541,812
Office cleaning	74,020	315,063
Bank charges	374,734	336,150
Net foreign exchange loss	-	1,262,083
Events and other meetings	7,362,238	1,664,363
Bad debts written off	2,604,057	-
Tax account	-12,300,221	12,300,221
Total other administration expenses	5,267,714	21,901,308
Total administrative expenses	109,344,918	108,265,133
8. Establishment expenses		
Rent and rates	10,329,133	13,263,980
Insurance	1,018,680	909,968
Licences	39,500	123,569
Repairs and maintenance	286,781	302,853
Depreciation of property and equipment	2,490,990	2,622,132
Amortisation of intangible assets	1,255,919	1,392,512
Total establishment expenses	15,421,003	18,615,014
9. PUBLIC PRIVATE DIALOGUE AND PROJECT COSTS		
Expenditure under Public Private Dialogue Funds		
Public private dialogue meetings	17,764,334	23,926,438
Research and consultancy	11,301,475	16,861,739
Transport	748,324	694,079
Expenditure under KEPSA Foundation Projects		
Mkenya Daima Project	26,901,124	38,215,388
Support for better business practices for children	2,514,734	5,049,058
Social investment focused agenda	-	629,352
AJIIRA Digital Project	49,198,985	-
Supporting Sustainable and Inclusive Business Project	3,777,893	-
	112,206,869	85,376,054

The PPD/projects expenditures went up mainly due to the new projects. The activities in public-private dialogue engagements with the Government reduced due to the extended electioneering period.

NOTES

10. Capital grant

	2017 KSh	2016 KSh
As at start of the year	9,320,949	10,276,535
Additions: Property and equipment	256,595	1,049,055
Less: Depreciation for the year	(2,036,716)	(2,004,641)
As at end of year	7,540,828	9,320,949

Capital grant represents an amount of KSh 256,595 in respect of assets granted by UNICEF (2016: KSh 1,049,053 granted by DFID) for the purchase of property, plant and equipment and intangible assets. Each year an amount equal to the depreciation or amortisation of these assets is transferred to operating income.

11. Property and equipment

	Furniture, fittings & equipment KSh	Computers, copiers & faxes KSh	Total KSh
Cost			
At start of year	16,102,440	7,493,115	23,595,555
Additions	459,395	367,574	826,969
At end of year	16,561,835	7,860,689	24,422,524
Accumulated depreciation			
At start of year	9,634,684	6,982,950	16,617,634
Annual depreciation	1,716,021	774,969	2,490,990
At end of year	11,350,705	7,757,919	19,108,624
Carrying amount			
At end of year	5,211,130	102,770	5,313,900

12. Intangible assets - software

	2017 KSh	2016 KSh
Cost		
As start of year	7,115,929	6,895,288
Additions	110,069	220,641
As at end of year	7,225,998	7,115,929
Accumulated amortisation		
As start of year	4,782,038	3,389,526
Amortisation	1,255,919	1,392,512
As at end of year	6,037,957	4,782,038
Carrying amount		
As at end of year	1,188,041	2,333,891

NOTES

	2017 KSh	2016 KSh
13. Trade and other receivables		
Membership fees receivable	3,435,345	3,528,182
Other receivables	272,175	801,913
Rent deposit	1,462,150	1,462,150
Prepayments	2,324,301	2,113,653
	7,493,971	7,905,898
14. Financial assets at amortised cost		
Fixed deposits	32,137,474	88,241,182
Maturing:		
- Within 1 year	32,137,474	88,241,182
15. Cash and cash equivalents		
Cash at bank	66,003,734	48,573,804
Cash in hand	14,867	2,059
	66,018,601	48,575,863
16. Trade and other payables		
Trade payables	2,665,275	7,093,605
Prepaid membership fee	14,453,333	12,690,667
Performance benefit provision	-	785,076
Other payables	843,070	12,514,891
	17,961,678	33,084,239

KEPSA MEMBERS 2017 - 2018

BUSINESS MEMBER ORGANIZATIONS

1 AFRICAN WOMEN AGRIBUSINESS NETWORK (K)	41 KENYA FOREX & REMITTANCE ASSOCIATION
2 AGRICULTURAL EMPLOYERS' ASSOCIATION	42 KENYA GREEN BUILDING SOCIETY
3 AGROCHEMICALS ASSOCIATION OF KENYA	43 KENYA HEALTHCARE FEDERATION
4 AMERICAN CHAMBER OF COMMERCE (K) LIMITED	44 KENYA INSTITUTE OF SUPPLIES MANAGEMENT
5 ARCHITECTURAL ASSOCIATION OF KENYA	45 KENYA INTERNATIONAL FREIGHT & WAREHOUSING ASSOCIATION
6 ASSOCIATION OF CONSULTING ENGINEERS OF KENYA	46 KENYA IT & OUTSOURCING SERVICES
7 ASSOCIATION OF GAMING OPERATORS KENYA	47 KENYA MOTOR INDUSTRY ASSOCIATION
8 ASSOCIATION OF INSURANCE BROKERS OF KENYA	48 KENYA MOTOR REPAIRERS ASSOCIATION
9 ASSOCIATION OF KENYA INSURERS	49 KENYA OIL & GAS ASSOCIATION
10 ASSOCIATION OF PRACTITIONERS IN ADVERTISING	50 KENYA PRIVATE SCHOOLS ASSOCIATION
11 ASSOCIATION OF PUBLIC RELATIONS AND COMMUNICATION MANAGEMENT FIRMS	51 KENYA PROPERTY DEVELOPERS ASSOCIATION
12 AUTOMOBILE ASSOCIATION OF KENYA	52 KENYA RENEWABLE ENERGY ASSOCIATION
13 BRITISH CHAMBERS OF COMMERCE KENYA	53 KENYA SECURITY INDUSTRY ASSOCIATION
14 CHARTERED INSTITUTE OF ARBITRATORS	54 KENYA SHIPS AGENTS ASSOCIATION
15 CLEAN COOKSTOVES ASSOCIATION OF KENYA	55 KENYA TEA GROWERS ASSOCIATION
16 COURIER INDUSTRY ASSOCIATION OF KENYA	56 KENYA TOURISM FEDERATION
17 DELEGATION OF GERMAN INDUSTRY & COMMERCE KENYA	57 KENYA WATER INDUSTRY ASSOCIATION
18 DOMAIN REGISTRARS ASSOCIATION OF KENYA	58 LAIKIPIA FARMERS ASSOCIATION 2014
19 EAST AFRICAN TEA TRADE ASSOCIATION	59 LIWA PROGRAMME TRUST
20 EAST AFRICAN VENTURE CAPITAL ASSOCIATION	60 MARKETING & SOCIAL RESEARCH ASSOCIATION
21 EASTERN AFRICA GRAIN COUNCIL	61 MARKETING SOCIETY OF KENYA
22 ENVIRONMENT INSTITUTE OF KENYA	62 MEDIA OWNERS ASSOCIATION
23 FEDERATION OF KENYA EMPLOYERS	63 MOTORCYCLE ASSEMBLERS ASSOCIATION OF KENYA
24 INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS OF KENYA	64 MUSIC ASSOCIATIONS ALLIANCE OF KENYA
25 INSTITUTE OF CERTIFIED PUBLIC SECRETARIES OF KENYA	65 NATIONAL ASSOCIATION OF PRIVATE UNIVERSITIES IN KENYA
26 INSTITUTE OF QUANTITY SURVEYORS OF KENYA	66 NATIONAL POTATO COUNCIL OF KENYA
27 INSTITUTION OF ENGINEERS OF KENYA	67 OIL AND GAS CONTRACTORS ASSOCIATION OF KENYA
28 INSTITUTION OF SURVEYORS OF KENYA	68 ORGANIZATION OF WOMEN IN INTERNATIONAL TRADE
29 KENYA AGRIBUSINESS AND AGROINDUSTRY ALLIANCE	69 PETROLEUM INSTITUTE OF EAST AFRICA
30 KENYA ASSOCIATION OF INDEPENDENT INTERNATIONAL SCHOOLS	70 PROTECTIVE SECURITY INDUSTRY ASSOCIATION
31 KENYA ASSOCIATION OF MANUFACTURERS	71 RESPONSIBLE ALCOHOL DRINKS COMPANIES ASSOCIATION
32 KENYA ASSOCIATION OF PHARMACEUTICAL INDUSTRY	72 RETAIL TRADE ASSOCIATION OF KENYA
33 KENYA ASSOCIATION OF TRAVEL AGENTS	73 ROADS & CIVIL ENGINEERING CONTRACTORS ASSOCIATION
34 KENYA ASSOCIATION OF WOMEN BUSINESS OWNERS	74 SEED TRADE ASSOCIATION OF KENYA
35 KENYA ASSOCIATION OF WOMEN IN TOURISM	75 SHIPPERS COUNCIL OF EASTERN AFRICA
36 KENYA ASSOCIATION OF AIR OPERATORS	76 SOCIAL ENTERPRISE SOCIETY OF KENYA
37 KENYA AUTO BAZAAR ASSOCIATION	77 SOCIETY OF CROP AGRIBUSINESS ADVISORS OF KENYA (SOCAA)
38 KENYA BANKERS ASSOCIATION	78 TECHNOLOGY SERVICE PROVIDERS ASSOCIATION OF KENYA
39 KENYA BIOGAS STAKEHOLDERS NETWORK	79 TOWN & COUNTY PLANNERS ASSOCIATION OF KENYA
40 KENYA FLOWER COUNCIL	80 UNITED BUSINESS ASSOCIATION

CORPORATE MEMBERS

1	ACTIS AFRICA LIMITED	52	EBRIMA-MART (AFRICA SOKON)
2	ADVANTAGE FINANCIAL S.A.	53	E-CART SERVICES KENYA LIMITED (JUMIA)
3	AFRICA PRACTICE EAST AFRICA LIMITED	54	ECOBANK KENYA LIMITED
4	AFRICAN BANKING CORPORATION	55	ENEL GREEN POWER KENYA LIMITED
5	AGRI EXPERIENCE LIMITED	56	ENGEN KENYA LIMITED
6	AIG KENYA LIMITED	57	ENGIE EASTERN AFRICA LIMITED
7	AIRTEL NETWORKS KENYA LIMITED	58	ENGLISH PRESS LIMITED
8	AKIIRA GEOTHERMAL LIMITED	59	ESRI EASTERN AFRICA LIMITED
9	AMBOSELI COURT LIMITED	60	EXPRESS COMMUNICATIONS COMPANY LIMITED
10	AMOTECH EAST AFRICA LIMITED	61	FAIRMONT HOTELS AND RESORTS KENYA
11	APEC CONSORTIUM LIMITED	62	FINANCIAL AND PROPERTY CONSULTANTS LIMITED
12	ASHLEYS KENYA LIMITED	63	FREIGHT FORWARDERS KENYA LIMITED
13	ASSOCIATED BATTERY MANUFACTURERS EAST AFRICA LIMITED	64	FRONTIER INVESTMENT MANAGEMENT AFRICA LIMITED
14	ASTRAL AVIATION LIMITED	65	FUSION CAPITAL LIMITED
15	ATLAS COPCO EAST AFRICA LIMITED	66	G4S KENYA LIMITED
16	AVCON CONTRACTORS LIMITED	67	GALANA OIL KENYA LIMITED
17	AVENUE GROUP LIMITED	68	GAPCO KENYA LIMITED
18	BAMBURI CEMENT LIMITED	69	GE EAST AFRICA SERVICES LIMITED
19	BASE TITANIUM LIMITED	70	GEMS SKILLS KENYA LIMITED
20	BAT KENYA LIMITED	71	GENGHIS CAPITAL LIMITED
21	BIDCO AFRICA LIMITED	72	GERTRUDE CHILDRENS HOSPITAL
22	BIOGAS POWER HOLDINGS (EA) LIMITED	73	GLOBEIQ AFRICA HOLDINGS LIMITED
23	BLACKBERRY INVESTMENTS	74	GOOD TESTIMONY JUNIOR SCHOOL
24	BLUE NILE ROLLING MILLS LIMITED	75	GOOGLE KENYA LIMITED
25	BLUE SKY FILMS (EPZ) LIMITED	76	GRAIN INDUSTRIES LIMITED
26	BNT CONSTRUCTION & ENGINEERING KENYA LIMITED	77	GRANT THORNTON CONSULTING LIMITED
27	BOLLORE AFRICA LOGISTICS (K) LIMITED	78	GUMBO & ASSOCIATES
28	BRIDGENET GLOBAL CONSULTING LIMITED	79	HACO TIGER BRANDS (E.A.) LIMITED
29	BRIGHT VISION MEDIA LIMITED	80	HARMONY SOUNDS
30	BROOKSIDE DAIRY LIMITED	81	HEINEKEN EAST AFRICA
31	CAPRICORN GROUP LIMITED	82	HELIOS GROUP LIMITED
32	CARDNO EMERGING MARKETS EA LIMITED	83	HEVA FUND LIMITED
33	CENTUM INVESTMENT COMPANY LIMITED	84	HF GROUP
34	CERBERRUS CAPITAL LIMITED (TRANSPower ENERGY SOLUTIONS LIMITED)	85	HOSPITALITY SYSTEMS CONSULTANTS
35	CITIBANK N.A. KENYA	86	HUMAN CAPITAL SYNERGIES AFRICA LIMITED
36	CIVICON LIMITED	87	I.S.C. HOLDINGS LIMITED
37	CMC MOTORS GROUP LIMITED	88	IBL INTERNATIONAL LIMITED
38	COCA COLA EAST & CENTRAL AFRICA	89	IBM EAST AFRICA LIMITED
39	COMPUTER PRIDE LIMITED	90	INFORPARTS LIMITED
40	CONTROL RISK EAST AFRICA LIMITED	91	INTERCITY SECURE HOMES LIMITED
41	COOPER-K BRAND LIMITED	92	IPSOS LIMITED
42	CPF FINANCIAL SERVICES LIMITED	93	ISUZU KENYA LIMITED
43	DALBERG GLOBAL DEVELOPMENT ADVISORS	94	JAMII TELECOMMUNICATIONS LIMITED
44	DAVIS & SHIRTLIFF LIMITED	95	JJENGE CREDIT LIMITED
45	DEACONS KENYA LIMITED	96	JUNGLE GROUP HOLDINGS LIMITED
46	DELOITTE LIMITED	97	K.K. SERVICES LIMITED
47	DHL WORLDWIDE EXPRESS (K) LIMITED	98	KALUWORKS LIMITED
48	DORION ASSOCIATES	99	KARANJA NJENGA & COMPANY ADVOCATES
49	DOW CHEMICAL EAST AFRICA	100	KENERGY RENEWABLES LIMITED
50	EAST AFRICAN BREWERIES LIMITED	101	KENGAS LINK LIMITED
51	EASTERN PRODUCE KENYA LIMITED	102	KENWEST CABLES LIMITED

CORPORATE MEMBERS

103	KENYA BUS SERVICE MANAGEMENT LIMITED	154	REXE ROOFING PRODUCTS
104	KENYA MARKETS TRUST	155	RIARA GROUP OF SCHOOLS
105	KENYA PIPELINE COMPANY LIMITED	156	RSM EASTERN AFRICA
106	KENYA POWER & LIGHTING COMPANY LIMITED	157	RUTHIEJ PLATINUM EVENTS
107	KN LAW LLP	158	SAFARI PARK HOTEL & CASINO
108	KOKO NETWORKS LIMITED	159	SAFARICOM LIMITED
109	KPMG KENYA	160	SAP EAST AFRICA LIMITED
110	KROLL ASSOCIATES UK LIMITED	161	SAROVA HOTELS LIMITED
111	KTDA MANAGEMENT LIMITED	162	SASINI LIMITED
112	KUSCCO LIMITED	163	SAVANNAH CEMENT LIMITED
113	LIAISON GROUP (LB) LIMITED	164	SAYANI INVESTMENTS LIMITED
114	LINKSOFT INTERGRATED SERVICES (EA) LIMITED	165	SCANIA EAST AFRICA LIMITED
115	LIQUID TELECOMMUNICATIONS	166	SCHNEIDER ELECTRIC (K) LIMITED
116	LUKENYA HIGH SCHOOL LIMITED	167	SENACA EAST AFRICA LIMITED
117	MABATI ROLLING MILLS	168	SEVEN SEAS TECHNOLOGIES LIMITED
118	MADISON GROUP LIMITED	169	SGS KENYA LIMITED
119	MAERSK KENYA LIMITED	170	SHOP IT STORE LIMITED
120	MARUBENI CORPORATION	171	SHREEJI DEVELOPMENT COMPANY
121	MCKINSEY AND COMPANY	172	SIGNUM COMPANY LIMITED
122	MEA LIMITED	173	SIMBA CORPORATION LIMITED
123	MICROSOFT EAST AFRICA	174	SNC-LAVALIN
124	M-KOPA LIMITED	175	SOCIAL PERFORMANCE ADVISORY LIMITED
125	MOBIUS EAST AFRICA LIMITED	176	SOWITEC KENYA LIMITED
126	MONSANTO KENYA LIMITED	177	SPACE AND STYLE
127	MULTICHOICE KENYA LIMITED	178	STANBIC BANK
128	MWANGI & KAMWARA ASSOCIATES	179	STANDARD CHARTERED BANK
129	NAIROBI BOTTLERS LIMITED	180	STANDARD GROUP LIMITED
130	NAIROBI SECURITIES EXCHANGE	181	STIMA SACCO SOCIETY LIMITED
131	NIC BANK LIMITED	182	STRATOSTAFF EAST AFRICA LIMITED
132	OAKAR SERVICES LIMITED	183	SURAYA PROPERTY LIMITED
133	OBG COMPANY LIMITED	184	SYNERGY INDUSTRIAL CREDIT LIMITED
134	OCP KENYA LIMITED	185	TATA CHEMICALS MAGADI LIMITED
135	OIL & ENERGY SERVICES LIMITED	186	TELKOM KENYA LIMITED
136	OLX LIMITED	187	THE NAIROBI HOSPITAL
137	ONE ACRE FUND	188	TIFA RESEARCH LIMITED
138	OPTIVEN LIMITED	189	TOYOTA KENYA LIMITED
139	ORACLE CORPORATION	190	TRANSPORT & LIFTING SERVICES LIMITED
140	ORARO & COMPANY ADVOCATES	191	TULLOW KENYA
141	OSHO CHEMICALS INDUSTRIES LIMITED	192	TUSKER MATTRESSES LIMITED
142	PANARI HOTEL LIMITED	193	TWIGA CHEMICAL INDUSTRIES LIMITED
143	PEVANS EAST AFRICA LIMITED	194	UAP INSURANCE COMPANY LIMITED
144	PEWIN CABS LIMITED	195	UBER KENYA LIMITED
145	PKF KENYA	196	ULTRAVETIS EAST AFRICA LIMITED
146	PREFERRED PERSONNEL AFRICA LIMITED	197	UNILEVER KENYA LIMITED
147	PRICEWATERHOUSECOOPERS LIMITED	198	VERA BEAUTY COLLEGE
148	PRIDEINN HOTELS & INVESTMENT LIMITED	199	VISA INTERNATIONAL SERVICE ASSOCIATION
149	PROCTER & GAMBLE SERVICES LIMITED	200	VIVA AFRICA CONSULTING LLP
150	PROTEL STUDIOS LIMITED	201	VIVO ENERGY KENYA LIMITED
151	RENTWORKS E.A. LIMITED	202	WELLS FARGO LIMITED
152	RESOLUTION HEALTH LIMITED	203	WILDLIFE DIRECT KENYA LIMITED
153	RESPONSABILITY AFRICA LIMITED	204	WRIGLEY COMPANY LIMITED
		205	ZAMARA ACTUARIES ADMINISTRATORS & CONSULT LTD

SME MEMBERS

1	BEVERAGE THREESIXTY LIMITED	6	MAGHREB INVESTMENT LIMITED
2	BRANDS & BEYOND	7	SIERRA TRADING LIMITED
3	ICON SPORTS MARKETING LIMITED	8	SILIKON CONSULTING GROUP LIMITED
4	KENYA TOURISM INVESTMENT COMPANY	9	WAMAITHA WAWERU & COMPANY ADVOCATES
5	LONGITUDE FINANCE LIMITED		

STARTUPS

1	AZURI TECHNOLOGIES KENYA LIMITED	6	MILLENNIAL SPEAK LIMITED
2	DIK DIK PROPERTY LIMITED	7	MK LIGHT AFRICA RIGHT LIMITED
3	DORFKEM KENYA LIMITED	8	SERANO AFRICA LIMITED
4	ESELLE GROUP COMPANY LIMITED	9	TANOLOPE CONSULTANCY
5	GLOBAL PRIMETIME SOLUTIONS LIMITED	10	YUSUDI LIMITED



KEPSA leaders toasting to the year that was during the End of Year members cocktail held on 7th December 2017 at Intercontinental Hotel



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