



The Voice of Private Sector in Kenya

# Annual Report & Financial Statements

# 2019



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# About KEPSA



The Kenya Private Sector Alliance (KEPSA) 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 stakeholder and being involved in the socio economic development of the country.

KEPSA Strategy's main objective is to pursue year-on-year improvement in the following:

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

KEPSA has played critical roles in business and socio-economic development. Some of KEPSA's role in business development include the institutionalization of Public-Private Dialogues platforms for business to engage in policy, legislative and institutional reforms.

The engagement platforms 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 socio-economic front, KEPSA has participated in the Economic Recovery Strategy (2003); Private Sector Development Strategy (PSDS) (2006 – 2010); Vision 2030 & Medium-Term Plans; Peace Accord initiative in the 2008 Post Election Violence, Development of Constitution 2010; peace campaigns during 2013 and 2017 elections through “Mkenya Daima” Campaign. KEPSA has also coordinated private sector efforts to support government's efforts in tackling the Coronavirus Pandemic during 2020, better business practices for children, youth and women empowerment programs.



# Introduction to KEPSA Public Private Dialogue & Engagements

## **PRESIDENTIAL ROUND TABLE (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 PRT resolutions and commitments are cascaded down to the respective implementing Ministries and other arms of government.

## **GOVERNMENT – PRIVATE SECTOR ROUNDTABLE UNDER NATIONAL DEVELOPMENT IMPLEMENTATION AND COMMUNICATION CABINET COMMITTEE (NDICCC)**

An engagement platform established in 2019 where the whole Executive (Ministries, Departments and Agencies) engages the private sector on quarterly basis through the Office of the NDICCC chaired by Cabinet Secretary, Dr. Fred Matiang'i to tackle all the cross-cutting policy issues and agree on outcomes that get presented at the Presidential Roundtables.

## **SPEAKERS ROUNDTABLE (SRT)**

A high level engagement platform with the National Assembly and the Senate. The SRT facilitates joint review of legislative matters involving respective parliamentary Department Committees and the Private Sector.

## **MINISTERIAL STAKEHOLDER FORUM (MSF)**

A 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.

## **NAIROBI METROPOLITAN SERVICE ROUNDTABLE**

An engagement platform with the Director General of the Nairobi Metropolitan Services to improve business environment in the Nairobi County.

## **COUNCIL OF GOVERNORS FORUM (COG)**

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

## **COUNTY EXECUTIVE FORUM**

KEPSA also engages with the County Executive Committee Council in appreciation of the significance of making the county business environment conducive for private sector investment and business growth.

## **CHIEF JUSTICE (CJ) 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 discussing 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), Nation Police Service, KPLC, ERC etc on specific business issues that require resolution by the respective departments.



ACP Business Summit - December 2019

### DEVELOPMENT PARTNERS ROUNDTABLE (DPRT)

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 and development and private sector development.

### REGIONAL ENGAGEMENTS

A platform that provides opportunity for wider Private Sector participation in regional agenda setting. Some of the East African Community forums include NCIP Summit and EAC Summit

### GLOBAL ENGAGEMENTS

These are platforms that bring wider global private sector together and KEPSA where has continued to play a major role as a key partner. Examples include the Global Entrepreneurship Summit Nairobi 2015 with President Obama, the Sixth Tokyo International Conference of African Development (TICAD) held 2016 in Nairobi with Japanese President Prime Minister Shinzo Abe, the Tenth WTO Ministerial Conference held in Nairobi in December 2015 among others and the yearly partnership in organising the Africa CEO's forum among other global events and initiatives.

# Board of Directors



**Mr. Nicholas Nesbitt**

Chair | Technology



**Ms. Rita Kavashe**

Vice - Chair | Transport & Logistics



**Mr. Michael Macharia**

Labour & Housing



**Mr. Jaswinder Bedi**

Regional & Continental Investments



**Ms. Catherine Musakali**

Gender & Governance



**Mr. Sun Mengxin**

Infrastructure



**Dr. Elizabeth Wala**

Health



**Mr. Sachen Gudka**

Industrialization & Local Investments



**Ms. Patricia Ithau**

SMEs



**Mr. Jeremy Awori**

Finance & Macro-economic  
Stability



**Mr. Gichuhi Allen Waiyaki**

Legal & Professionals



**Ms. Brenda Mbathi**

Energy & Education



**Ms. Flora Mutahi**

Food Security



**Mr. Graham Shaw**

Foreign Investments



**Mr. Francis Munywoki**

Media & Anti-Corruption



**Ms. Carole Karuga**

Board Secretary



# Governing Council Sector Chairs



**Christopher Wilson**

Agriculture, Livestock and Fisheries



**Hillary Onami**

Devolution



**Chris Diaz**

East African Community and Affairs



**Mutheu Kasanga**

Education – Basic



**Vincent Gaitho**

Education – Tertiary



**Eng. James N. Mwangi**

Energy & Extractives



**Emily Waita**

Environment, Water & Natural Resources



**Eva Muraya**

Gender & Youth



**Dr. Amit Thakker**

Health



**Mike Macharia**

ICT



**Phyllis Wakiaga**

Industrialization & Trade



**Mark Obuya**

Labour



**V. Gikonyo Gitonga**

Lands, Physical Planning & Housing



**Dr. Habil Olaka**

Public Finance



**Silvanus Sewe**

Security



**Richard Muteti**

MSME



**Herbert Tawa Mwachiro**

Sports, Culture & Arts



**Mohammed Hersi**

Tourism



**Aunali Bhaiji**

Transport and Infrastructure

# Governing Council Vice Chairs



**Jane Ngige**  
Agriculture, Livestock and Fisheries



**Wambui Mbarire**  
Devolution & Planning



**Kangangi Wanjohi**  
Devolution



**Faith Wathome Kithu**  
East African Community and Affairs



**Wairimu Njage**  
Education – Basic



**Priscilla Kerebi**  
Education – Tertiary



**George Aluru**  
Energy & Extractives



**Dr. Melba Wasunna**  
Energy & Extractives



**Ciru Waithaka**  
Environment, Water & Natural Resources



**Karen Basiye**  
Environment, Water & Natural Resources



**Waithera Gaitho**  
Gender & Youth



**Dr. Elizabeth Wala**  
Health



**Ben Roberts**  
ICT



**Mumbi Keega**  
Industrialization & Trade



**Susan Maingi**  
Industrialization & Trade



**Gilda Odera**  
Labour



**Eric Nyadimo**  
Lands, Physical Planning & Housing



**Ashif Kassam**  
Public Finance



**Eva Warigia**  
Public Finance



**Judy Wambugu**  
Security



**Steven Barry**  
Security



**Carol Warui**  
Sports, Culture & Arts



**June Gachui**  
Sports, Culture & Arts



**Fred Odek**  
Tourism



**Thomas Yongo**  
Transport and Infrastructure



# Advisors



**Mr. Linus Gitahi**



**Mr. Isaac Awuondo**



**Mr. Janmohamed  
Mahmud**



**Mrs. Anne Mutahi**



**Dr. Vimal Shah**



**Dr. Joe Wanjui**



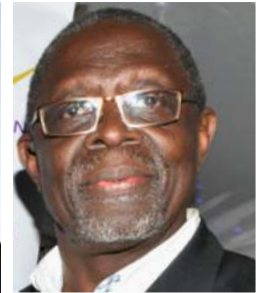
**Ms. Gloria Ndekei**



**Mr. John Ngumi**



**Mr. Samuel Mwale**



**Mr. Walter Oookok**



**Dr. Manu Chandaria**



**Mr. Patrick Obath**



**Mr. Mike Eldon**



**Arch. Lee Karuri**



**Amb. Dennis Awori**



**Mr. Jaswinder Bedi**



**Ms. Felicity Biriri**



**Hon. Francis T.  
Nyammo**



**Mr. Ken Wathome**



# Trustees



**Arch. Lee Karuri**

CHAIRMAN



**Eng. Patrick Obath**

VICE-CHAIRMAN



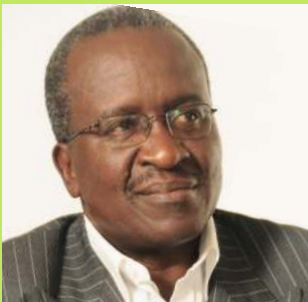
**Ms. Gloria Ndekei**

TREASURER



**Ms. Carole Karuga**

SECRETARY



**Amb. Dennis Awori**

TRUSTEE



**Ms. Lucy Karume**

TRUSTEE



**Dr. Manu Chandaria**

TRUSTEE



**Mr. Bill Lay**

TRUSTEE



**Mr. Arun Devani**

TRUSTEE



**Mr. Isaac Okero**

TRUSTEE



**Eng. Erastus Mwongera**

TRUSTEE



**Mr. Sam Mwale**

TRUSTEE



**Ms. Felicity Biriri**

TRUSTEE



**Dr. Vimal Shah**

TRUSTEE



**Mr. Nicholas Nesbitt**

TRUSTEE

# KEPSA Team



**Carole Karuga**  
CHIEF EXECUTIVE OFFICER



**Martha Cheruto**  
DEPUTY CEO



**Victor Ogalo**  
HEAD, PPD & PRA



**Aphlyne Agina**  
HEAD OF OPERATIONS



**Pascalina Kagunda**  
HEAD, MEMBERSHIP &  
COMMUNICATION



**Harrison Ngatia**  
HEAD OF PROJECTS



**Timothy Odongo**  
INVESTMENTS MANAGER



**Hilda Muchunku**  
FINANCE MANAGER



**Anne Katule**  
KEPSA FOUNDATION  
ADMINISTRATOR



**Patrick Maingi**  
PPD SPECIALIST



**Nathan Kivuva**  
M & E AND KNOWLEDGE  
MANAGEMENT SPECIALIST



**Ehud Gachugu**  
PROJECT DIRECTOR-AJIRA



**Karin Boomsma**  
PROJECT DIRECTOR- SIB-K



**Ebenezer Amadi**  
PROGRAM MANAGER SIB-K



# KEPSA Team



**Joblin Omari**  
M & E MANAGER-AJIRA



**Faith Ngige**  
PPD OFFICER



**Caroline Kawira**  
PROJECT OFFICER-UNICEF



**Joyner Okonjo**  
LEGAL ADVISOR



**Anthony Githendu**  
MARKETING AND  
MEMBERSHIP OFFICER



**Caroline Mukeli**  
COMMUNICATIONS OFFICER



**Judy Makau**  
EXECUTIVE ASSISTANT



**Llyord Mwaniki**  
PROJECT OFFICER-BUSINESS  
HUB



**Sophie Wamalwa**  
HR & EXECUTIVE OFFICER



**Alex Nene**  
EGOVERNMENT  
PROJECT OFFICER-AJIRA



**Edward Mose**  
PROJECT OFFICER- PRIVATE  
SECTOR ENGAGEMENT- AJIRA



**Gregory Nyakwara**  
TECHNICAL PRODUCT  
OWNER-AJIRA



**Joshua Namanga**  
DATA OFFICER-AJIRA



**Reginah Ndung'e**  
PROJECT ACCOUNTANT-AJIRA



**Valentine Wambui**  
PROJECT OFFICER- PRIVATE  
SECTOR ENGAGEMENT- AJIRA



**Nicholas Osoro**  
E-LEARNING OFFICER-AJIRA

# KEPSA Team



**Josephine Wawira**  
COMMUNICATION AND  
MARKETING OFFICER- SIB-K



**Pracksidis Wandera**  
ADMIN AND EVENTS  
OFFICER-SIB-K



**Stella Ndirangu**  
PROJECT OFFICER-SIB-K



**Francis Njiri**  
ACCOUNTANT



**Eric Ndume**  
PROCUREMENT ASSISTANT



**Emmanuel Ochieng**  
PPD ASSISTANT



**Mary Mailu**  
PPD ASSISTANT



**Brian Ndichu**  
IT/PPD ASSISTANT



**Peter Thairu**  
PPD ASSISTANT



**Daniel Musembi**  
POLICY & RESEARCH  
ASSISTANT



**Faith Owiyo**  
PROJECT ASSISTANT- UNICEF



**Ferdinand Musungu**  
COMMUNICATIONS  
ASSISTANT



**Phyllis Ndothya**  
PROJECT ASSISTANT- AJIRA



**Newton Ndwiga**  
OFFICE ASSISTANT



**Fridah Kagwiria**  
OFFICE ASSISTANT

# Notice & Agenda of Virtual AGM

**NOTICE IS HEREBY GIVEN** that due to the ongoing COVID- 19pandemic, the related Public Health Regulations and restrictions on public gathering by the Government of Kenya, the sixteenth Annual General Meeting of Kenya Private Sector Alliance Limited will be held by Electronic Means on Thursday, 23rd July 2020 at 10.00 a.m. (EAT) to transact the following business:

## AGENDA

### 1. CONSTITUTION OF MEETING

To read the notice convening the meeting, table the proxies received and confirm the presence of a quorum.

### 2. ORDINARY BUSINESS

#### a) Report of the Board of Directors

To receive, consider and, if thought fit, adopt the Report of the Board of Directors for the year ended 31 December 2019 (Resolution 1).

#### b) Financial Statements for the year ended 31 December 2019

To receive, consider and, if thought fit, adopt the Financial Statements of the Company for the year ended 31 December 2019 (Resolution 2).

#### c) Report of the External Auditors

To receive the Auditors' Report on the Financial Statements for the year ended 31 December 2019.

#### d) Re-appointment of External Auditors

To re- appoint Messrs PricewaterhouseCoopers as Auditors of the Company until the conclusion of the next Annual General Meeting (Resolution 3).

#### e) Remuneration of the External Auditors

To authorize the Directors to fix the Auditors' remuneration for the ensuing Financial Year (Resolution 4).

### 3. ANY OTHER BUSINESS

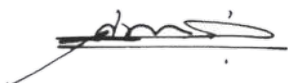
#### a) Adoption of the amended Memorandum and Articles of Association of the Company in line with the Companies Act, 2015

"That the existing Memorandum and Articles of Association of the Company be deleted in their entirety and that the amended Memorandum and Articles of Association initialled by the Chairman of the Company for the purpose of identification be and are hereby approved and adopted as the new Memorandum and Articles of Association of the Company." (Resolution 5).

### 4. ANY OTHER BUSINESS

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

### BY ORDER OF THE BOARD



**JLG MAONGA**  
**MAONGA NDONYE ASSOCIATES**  
**COMPANY SECRETARIES**

# Statement from the CEO

## LOOKING INWARDS: INTERNAL STRENGTHENING AND ACHIEVEMENTS



**Carole Karuga, MBS, HSC**  
CHIEF EXECUTIVE OFFICER

It has been an eventful year for the Kenya Private Sector Alliance and for the country juxtaposed by a pandemic and a 360° switch from physical meetings to virtual ones. We crossed into 2020 without ever contemplating that we would have our 16th AGM virtually; a clear indication that change is the only thing that is constant in our lives and in business and we must embrace it.

The achievements we have realised during the year have been the result of over 225 major Public Private Dialogues (PPDs) and Sector Board meetings that our members have supported us to organise and have diligently participated in with unwavering commitment.

In this same year, **KEPSA established a new PPD platform with the government through the National Development Implementation and Communication Cabinet Committee (NDICCC)** chaired by Cabinet Secretary Dr. Fred Matiang'i working closely with the Executive Office of the President and the Presidential Delivery Unit. The platform has been very instrumental in driving our advocacy and partnership agenda with Ministries, State Departments and Agencies and reporting progress to the President during Presidential Roundtables.

Under the NDICCC, we held four major meetings, resulting in many long-standing issues being resolved or getting some traction. Additionally, we held three game-changing Presidential Roundtables (PRT); two of which were held in May 2019 to link local producers and traders with policy support from government and the other with European Business Council (EBC) and the third (and most recent) PRT was held in March 2020 over KEPSA's Economic Management Framework for Covid-19 Response.

Our engagements with the various Ministries, Departments and Agencies have increasingly become more vibrant with 22 meetings with Ministries, 38 meetings with various Departments and Agencies, three Tax Roundtables, and a Roundtable with the Central Bank. In addition, with our Development Partners we held a Donors' Roundtable on the very important agenda of business ethics and anticorruption. On the legislative front, we kept the two annual Speaker's Roundtables active, one with National Assembly in October and the other with the Senate in November 2019.

The Presidential Roundtables (PRT) with our local producers and with the European Business Council (EBC) sparked a lot of new investment commitments that have been realised in various measures. Majority of interventions we presented during the May 2019 Roundtable with the NDICCC and subsequently at the Presidential Roundtable were realized through the 2019/2020 Budget Policy Statement and Finance Bill. These include implementation of the energy rebate program to lower power cost for manufacturers, reduction of Railway Development Levy (RDL) and Import Declaration Fee (IDF) on manufacturing inputs from 2 percent to 1.5 percent and increase from 2 percent to 3 percent on finished goods to improve competitiveness of Kenyan goods. We also saw the reduction of the number of agencies at Mombasa Port and Nairobi ICD from 27 to just four for faster clearance of cargo, expediting payment of pending bills and VAT refunds, establishment of Credit Guarantee Scheme for SMEs, consolidation of various enterprise funds to form one Biashara Bank, among others.



The recent PRT in March 2020 held over our Economic Management Framework for Covid-19 Response became very instrumental in sparking a series of measures and interventions to cushion businesses, citizens and the economy against the delirious impact of Covid-19. It led to the unveiling of Economic Stimulus Measures such as reduction of VAT from 16 to 14 percent, Corporation Tax from 30 to 25 percent, PAYE from 30 to 25 percent and 100 percent waiver for those earning less than 24,000. Other measures that were implemented include reduction of Turn-Over Tax from three to one percent, expedited payment of pending bills and VAT refunds (Ksh 25 Billion paid by end of June 2020). The Central Bank also reduced its CBR from 8.25 to 7 percent and Cash Reserve Ratio from 5.25 to 4.25 percent that injected KES 35 Billion more liquidity to enable banks lend to businesses. To top it up, the government also followed with KES 56.6 Billion budget allocation for different sectors under an 8-Point Economic Stimulus Programme, and began phased re-opening of the economy from July 2020. Similarly, in the May 2020 NDICC Roundtable, our presentation helped to set the pace for development of Private Sector Protocols for phased reopening of the economy, which were later adopted by Ministry of Industrialization and Trade to form part of the Guidelines for Business Operations during Covid-19.

**From our Survey conducted in May 2020, 61 percent of businesses had benefited from the reduction of PAYE, 48 percent had benefited from the Reduction of VAT, and 45 percent had benefited from Reduction of Corporate tax while 11 percent and 6 percent had benefited from payment of VAT refunds and pending bills respectively.** As part of recovery, we are involved in negotiations for a US-Kenya Free Trade Agreement (FTA), a UK -Kenya trade deal to ensure the country is well positioned to retain the UK market after Brexit by the end of December 2020, the Africa Continental Free Trade Area to capture the 1.3 billion people African market, and also strengthening our trade ties in the EAC which accounts for 23 percent of our exports.

**At the legislative level, KEPSA held two Speaker's Roundtables in October and November 2019 with the National Assembly and Senate** where commitments were made to enhance partnership with private sector to boost the country's economic competitiveness including at county level through enabling legislations for growth and job creation.

In addition to fast-tracking pending bills, and facilitating private sector input through the various Parliamentary Committees, Senate has also supported KEPSA in addressing the administration issues at the Lands Registry. We filed a Petition at the Senate on Lands Registries Administration Issues, which culminated into a tripartite meeting between KEPSA, the CS Lands & Physical Planning and the Senate Committee on Lands.

Other key wins from our engagement with Parliament were the reduction in tax rates for PAYE and VAT through the Tax Laws Amendment Act 2020, which gives employers reprieve during this pandemic and enables them retain employees. There is also the National Waste Management Bill 2019 and Policy approved on 28th May 2020 by Cabinet, headed to Parliament, which involved a lot of private sector stakeholder engagement. These will establish an appropriate legal and institutional framework for the efficient and sustainable management of waste in the framework of the green economy, the realization of the zero waste goal, the realization of the Constitutional provision on the right to a clean and healthy environment for all.

“ KEPSA established a new Public Private Dialogue platform with the government through the National Development Implementation & Communication Cabinet Committee (NDICCC)

Our recent Roundtable with the CBK yielded several outcomes that will continue defining our engagements into the future. The CBK will continue to retrain commercial banks to address the credit crunch in the private sector and will engage the National Treasury and relevant stakeholders to re-look at the waivers regime with a view to enhancing revenue collection. As a private sector, we committed to continue supporting MSMEs beyond financing by facilitating capacity building programs for the MSMEs. We agreed on the need to re-profile the National Debt in a structured way and that CBK and KEPSA would on regulations on digital lending, blockchain technology and formulation of the Health Index.

On legal and justice matters, KEPSA participated in two meetings of the National Council of the Administration of Justice in 2019 to enhance inter-agency collaboration and consultation especially in the fight against corruption and to conduct joint trainings and adopt use of technology to enhance service delivery. KEPSA also sought High Court of Kenya's intervention through MISCELLANEOUS CIVIL APPLICATION NO.E721 OF 2020, allowing it and its non-listed members to employ the use of technology in holding their AGMs. Due to the challenges brought about by Covid-19, we are following up on a Roundtable with the Chief Justice to discuss how Covid-19 has impacted administration of Justice, the arising employment disputes and how courts can make use of technology and mediation to reduce backlog of cases.

At sector level, we have ensured each Sector Board is active and holding regular meetings to resolve members' issues and engaging the relevant ministries through Ministerial Stakeholder Forums. The Agriculture Sector Board for instance brought together all key stakeholders and established the Agriculture Sector Network (ASNET) in February 2020, which becomes the Agriculture Sector Board of KEPSA similar to the Kenya Healthcare Federation (KHF), which is the Health Sector Board of KEPSA. ASNET has been at the forefront in resolving issues such as movement of agricultural produce to local and international markets during the Covid-19 period, while the Public Finance Sector Board has led in mobilizing KEPSA participation in National Budget making process through Sector Working Groups at Treasury. On our continued BMO development, we also incubated Digital Lenders Association, Online Professional Workers Association of Kenya (OPWAK) & International Relations Society of Kenya in 2019. In 2020, we have so far picked Film Exhibition and Distribution Association to incubate.



National Platforms Gathering (P4G) in New York September 2019

KEPSA has emerged as a champion for sustainable development, green and circular economy and is leading the way in shaping private sector to adopt an inclusive green growth pathway. Towards this end, KEPSA has "greened" its Third National Business Agenda that identifies strategies and regulatory reforms that both the government and private sector will prioritize in the next five years in order to catalyse "Inclusive Green Economic Growth" for Kenya. Going forward, our Public Private Dialogues shall incorporate green reforms.

KEPSA is also the co-Chair of the Kenya National Platform on Partnering for Green Growth and Global Goals (P4G) and has curated, nurtured and catalysed 15 transformative public private partnerships' that are leading the way in providing market-based solutions for the implementation of sustainable development goals. Other notable Green and Circular Economy frameworks that KEPSA has shaped for the country in the year include development of the Sustainable Waste Management Bill and Policy, the Extended Producer Responsibility Regulations and the Nairobi Sustainable Waste Management Action plan, which will all see the country, take a total shift from a linear based economy to a circular based economy.

In support for our PPD work, the Policy Research and Analysis Department launched KEPSA's SME Policy Index, the first such Index in Sub-Saharan Africa. The Index was launched in December 2019 during our members' end year dinner and was graced by the PS for Trade Dr. Chris Kiptoo. The study surveyed approximately 1,200 MSME owners from diverse sectors across three counties – Nairobi, Kiambu and Machakos. The study was motivated by our desire to ensure inclusion of MSME policy issues in the business environment reform agenda and that the year-on-year improvement in Kenya's global ranking on the World Bank's Ease of Doing Business was being felt by businesses of all sizes across the country.

This Index has informed our input on the ongoing development of SME Policy at the Ministry of Industrialization, Trade and Enterprise Development.

**We also organized countrywide Private Sector Consultations on Draft National Policy on County Governments Own Source Revenue Enhancement 2019 and the County Governments (Revenue Raising Process) Bill, 2018** that aim to create a more predictable and enabling business environment in the counties. The Consultations were held in five regions i.e. Nairobi, Kisumu, Nakuru, Nyeri and Mombasa in September 2019 to gather views from businesses that were later consolidated and submitted to Parliament as KEPSA's input.

**In order to ensure continuous improvement in service delivery to Members, the department conducted the 2019 Members Satisfaction Survey** from which 84 percent of the respondents expressed satisfaction with KEPSA's overall professionalism, 72 percent expressed satisfaction with KEPSA's overall assistance to them and 74 percent agreed that their questions, inquiries and needs were responded to in a timely manner.

**During the Covid-19 period, three surveys were conducted in March, April and May to assess the impact to businesses and potential mitigation measures for adoption by government.** These surveys have guided most of our work with government and other partners during the Covid-19 period. Our Research Department has also organised several webinars on different thematic areas to share knowledge and insights with members during the period.



**As part of our response measures to Covid-19, we established a 24-hour call centre and information portal to support our members during the difficult period.** We have brought on-board a number of initiatives that are using this Call Centre like *Wheels of Life* to enable expectant mothers access hospital during curfew hours; *Men in Silence* program to support on mental and gender-based violence (GBV) issues, as well as **Reporting Non-Compliance to Covid-19 Rules** that allows toll-free reporting of those contravening Covid-19 rules. All the Covid-19 response measures have been coordinated under a multi-sector Business Response Committee that has been meeting weekly to review progress and mobilize support. The media also played a key role in public sensitization on Covid-19 prevention measures and the actions undertaken by government and private sector to safeguard businesses and jobs.

**Other initiatives by KEPSA to help in mitigation of Covid-19 effects include "Flowers of Hope Project"** in collaboration with members in the Agriculture Sector to send free flowers to local hospitals and Kenya's markets in Europe with a message of hope and solidarity with them during the difficult period. The Initiative also aimed at maintaining the markets in Europe and safeguard thousands of jobs in the floriculture industry; **mobilizing members' contribution to the vulnerable in society** either directly or through the Covid-19 Emergency Response Fund.

KEPSA also launched a number of projects in support of SMEs to build resilience and navigate the difficult period. **An SME support program in partnership with MasterCard Foundation; partnership with Educate Global Rapid Technical Assistance Response Team** to support businesses in Food, Health and Education sectors through financial restructuring, strategy review and addressing critical operational issues they are facing. **We also entered into a partnership with Trade Mark East Africa to implement an e-Commerce Booster Programme to train 2,000 SMEs on e-commerce, digital marketing and on-board them onto various digital market places.** Further, we have also established a new partnership with Nairobi Metropolitan Services (NMS) that will see us work together to restore Nairobi and improve the business environment.

**Under the Business Hub, we continue to implement a Mentorship Programme for Women in Business,** with a focus on SME's facilitating training and mentorship with the intention of supporting and growing women led SME's. This was complemented by a Supplier Diversity Summit hosted in 2019 to enhance inclusivity in public and private sector supply chains creating more opportunities for women, youth and PWD owned businesses.





KEPSA's Flowers of Hope Campaign launch At Mbagathi Hospital – March 30, 2020

During the year, the Business Hub hosted a number of high-level trade and investment forums both local and international. These include the U.S.-Africa Business Summit in Maputo, the Seventh Tokyo International Conference on African Development (TICAD-7) held in Yokohama Japan, China Trade Week in Kenya, Doing Business with Finland Seminar, and Kenya Luxembourg Economic Forum. Others were the Poland-Kenya Economic Forum, Swiss Business Forum, Russia-Africa Economic Forum held in Russia, the 3rd Kenya Trade Week & Exposition 2019 and COMESA Source 21 International Trade Fair, AMCHAM Business Summit held in the US, among others. These forums have been crucial in fostering business linkages and partnerships for KEPSA and its members across the globe.

Our Business Hub is also coordinating a partnership between KEPSA and Educate Global that will benefit members in the Food, Health and Education sectors under Educate Global's Rapid Technical Assistance Response Team (ERTART) facility. The ERTART facility provides a coordinated platform of technical assistance through a highly discounted platform to target businesses involved in the three essential sectors. KEPSA through the private sector consortium has secured private sector participation in the Kenya-US Free Trade Agreement (FTA) negotiations to ensure a win – win situation with the aim of growing trade and investments. **Market dynamics have shifted and Kenya is positioning itself to capture new markets under Africa Continental Free Trade Area (AfCFTA), the Kenya-US FTA, bilateral trade agreement with the UK,** among others that KEPSA has been keen on and participated in the negotiations. These will unlock numerous market opportunities for SMEs and support development of our local value chains. Domestically, we must not lose focus on continuously improving our competitiveness and policy environment.

KEPSA forged crucial partnerships with government especially as the co-Chair for both the National Trade Facilitation Committee (NTFC) and the Partnering for Green Growth and the Global Goals 2030 (P4G) program. The P4G is an action-oriented, green growth engine for the development of concrete Public-Private Partnerships to deliver on the Sustainable Development Goals (SDGs) and the Paris Climate Agreement. Under the NTFC, we hosted a business capacity-building workshop on the WTO Trade Facilitation Agreement (TFA). Similarly, under the P4G, we spearheaded the “Transition to New Plastics Economy in Kenya” and participated in the Global Judges of the P4G Awards in New York.

Globally, KEPSA is part of the Global Partnership for Effective Development Co-operation (GPEDC), which recently launched the Kampala Principles on Effective Private Sector Engagement in Development Co-operation. In January 2020, we participated in a Roundtable Panel discussion to share KEPSA's best practice experience in building effective private sector partnerships at country level by using the GPEDC Kampala Principles on the road ahead to achieve the SDGs.

Under the KEPSA Foundation, we partnered with Ministry of ICT, E-Mobilis and Dalberg to roll out the second phase of Ajira Digital Program beginning January 2020 with funding from the MasterCard Foundation. This project aims to bridge the gap between skills demand and jobs by introducing young people to digital and digitally enabled work and provide the tools, training and mentorship needed for young people to work and earn an income with dignity. **During the Period, the Foundation also continued the anti-corruption campaign through the Multi-Sectoral Forum building from the success of the National Anti-Corruption Conference held in January 2019** where all key sectors in public and private sector made commitments to self-reflect and fight the vice from within their organizations. From the conference, there has been increased collaboration among different government agencies including the Judiciary and a number of high profile corruption cases have been successfully prosecuted. The efforts were complemented by a KEPSA study conducted to map corruption risk areas within private sector and assess compliance with the Bribery Act 2016.

Other notable programmes under our Foundation that we have continued to implement include the Sustainable Inclusive Business (SIB). This initiative is focused on empowering the private sector to embrace sustainability in their business models, reduce carbon footprint, and increase their positive impact on people and planet while generating profits.

**Better Business Practices for Children has been championing for creation of friendly work environments for breastfeeding women.** The project is also reaching out to women in low urban settlements with key Maternal Infant and Young Child Nutrition (MIYCN) messages in a bid to promote improvement in maternal/infant health and nutrition outcomes.

**Financially, the Company's turnover which comprises of membership subscriptions, Public Private Dialogue (PPD) funds, project funds and other incomes such as bank interest and sponsorships declined by 20 percent in 2019.** This was mainly due to a decline in funding by partners for PPD activities and projects as some three projects ended in the course of the year. In tandem with the declined revenues, total expenses also declined by 15 percent resulting from decreased programs' expenses from the ended programs and business and partners took long to recover or begin to operate normally from the two 2017 elections which reduced support of our major activities beyond the membership fee of which the members continued to contribute faithfully. However, the total membership subscriptions declined marginally by 4 percent as a result of some members citing challenging times in their businesses.

**Despite the difficult financial year, KEPSA met all its goals and plans for the year through innovative ways where finances were scarce** e.g. through reduction of overheads, merging activities to reduce costs and sponsorships with some partners paying vendors directly for some of our PPD activities. Administrative expenses were flat to the prior year, as we managed costs to bare minimum. The net of revenues to expenses is KES -45Million compared to KES -37Million in 2018, and we continue to put in place mitigating measures to rebuild reserves.

**Already, in the year 2020, we have received from members KES 63Million against a target for the year of KES 70Million and from partners KES 128Million by end of June against a target KES 138Million and signed further 40Million KES.** Some contracts with partners are multi-year contracts for execution in the next two financial years that are going to provide support for administrative costs and rebuild the reserves. In the 1st 6 months of 2020, we have already moved from a negative to a positive in the balance sheet; we have also assessed the risks posed by Covid-19 and put in place measures to withstand the economic shocks arising from the pandemic. We further implore those who have not paid their membership subscriptions to do so that we can continue to serve you better.

**In 2019, our membership gained 97 new members of which 32 were start-ups and 33 SMEs.** All these new members were seamlessly on-boarded onto the KEPSA family through quarterly induction talks. For all our members, we implemented a number of support programs including issuance of travel stickers to essential service providers during the Covid-19 period. We have also provided capacity building through a series of webinars with different partners on business development, trainings on Financial Education for Entrepreneurs (E4E) in partnership with Standard Chartered Bank, processes of raising capital for business in partnership with Private Equity Support (PES), and International Commercial Terms (Incoterms 2020). Other support includes an incubation programme for 4 new associations by providing boardroom facilities, legal advice and access to PPD engagements during the incubation period.

**Our Human Resource Department has continued to play a crucial role in internal strengthening of the Company through staffing.** Under our PPD Department and various projects, we have recruited and welcomed 22 new employees with support from partners such as TMEA, AGRA, Embassy of Netherlands and Mastercard Foundation. The Department also facilitated trainings, team building activities and visits to a number of KEPSA members, which enables better understanding of business operations and issues.

**Our Communications Team has also been vital for information dissemination to members throughout the year, a role that it romped up particularly during the Covid-19 period.** The department adopted a new Digital Strategy and throughout the year, our visibility has improved significantly especially on the mainstream media and social media with over 38 thousand twitter followers, 1,622 views on YouTube and very active WhatsApp Groups facilitating members' engagements.

**As the country and world at large battles Covid-19, the year 2020 will undoubtedly be a tough one for businesses;** but our commitment is to continue working with government, development partners and other stakeholders to turn the tide, mitigate the negative impacts and make the most of the opportunities that the pandemic has revealed. Our members have contributed generously during this Covid period in form of cash, food items, hand sanitizers, disinfectants, washing stations, and water tanks, PPEs, among others. By end of May 2020, the Covid-19 Fund, which is private sector-led had raised more than Ksh2.5Billion from corporates, individuals, foundations, among other sources.

# Directors' Report

## THE ECONOMY AND OUR INTERACTION WITH THE EXTERNAL ENVIRONMENT



**Nicholas Nesbitt**  
CHAIRMAN

Despite many of the challenges during the year, 2019 was characterised by high business confidence averaging about 53 points on the CFC Stanbic Bank's Purchasing Managers Index (PMI). We moved from a PMI of 49.2 in April 2019 and closed the year with 52.9 (approx. 53) with June 2019 being our highest score at 54.3. Our neighbour, Uganda, had its April 2019 PMI stand out at 54.7, which increased to 57.8 in June and closed the year at 57.5. **Generally, a PMI reading above 50 indicates expansion in business activity and below 50 indicates that it is generally declining.**

This PMI score was impacted in 2020 by the Covid-19 pandemic to lows of 34.4 points by April before recovering to 46.6 in June.

All key macroeconomic indicators remained fairly stable and the economy managed to record a 5.4 percent growth rate compared to 6.3 percent in 2018.

Key drivers of the 2019 economic growth were from the service sectors, particularly, accommodation and restaurants, ICT and Transport and Storage while growth in agriculture and manufacturing sectors was slowed down due to unfavourable weather conditions. **Agriculture grew by 3.6% in 2019, compared with 6% in 2018, hit by drought and then excess rain. Manufacturing also declined, growing by 3.2% in 2019 against 4.3% the previous year, due to its heavy reliance on agricultural performance. The construction sector grew by 6.4%, down from 6.9% in 2018.**

**Inflation** averaged 5.2 percent in 2019, slightly above the 4.7 percent recorded in 2018, but remained within the recommended range of 2.5 - 7.5 percent.

**Lending rates** averaged 12.24 percent as CBK lowered the Central Bank Rate (CBR) to 8.5 percent and private sector credit managed to grow by 7.1 percent following removal of the Interest rates caps in November 2019, which was largely achieved through KEPSA's engagements with government at different levels pushing for lending flexibility and easing access to credit.

**In 2019, Kenya achieved its best performance yet on the World Bank's Doing Business Index, improving from being ranked 61 the previous year to being ranked 56. Within these rankings, Kenya was ranked no 1 in the world on the "protecting minority investors" indicator and 4th globally on the "ease of getting credit".** Within Sub-Saharan Africa, Kenya retained its third position after Mauritius and Rwanda in terms of ease of doing business. This remarkable year-on-year improvement in the business environment reflects KEPSA's consistent follow through on the reform agenda and its efforts over the years partnering with the government, the World Bank and other stakeholders to make Kenya more attractive to investment through targeted policy and business regulatory reforms.





At the onset of the year 2020, we ushered in a new decade and the last leg of the journey towards Kenya's Vision 2030 and the UN Sustainable Development Goals. 2020 begins a critical period and KEPSA has renewed its determination to ensure the private sector takes the lead role in driving economic growth and transformation under our Simba Era Strategy.

That said, 2020 has taken off rather slowly because of the Covid-19 pandemic, but the optimism and confidence of 2019 remains. The business community has admirably demonstrated a rare commitment to cushion Kenyans from losing their jobs as we focus on turning the Covid-19 pandemic into an opportunity by strengthening the weak links that have been exposed, embracing new ways of doing business, and building resilience among SMEs against current and future economic shocks.

As the private sector apex body in Kenya, **KEPSA has been at the forefront in responding to the Covid-19 pandemic by mobilizing private sector mitigation measures and engaging government to stimulate the economy and cushion businesses during the crisis.** We have been very active in leading engagement and discussions within private sector.

We formed a Covid-19 Business Response Committee to bring together all key sector leaders and we set up a Project Management Office to coordinate response measures by different sectors. Since March, we have held weekly Covid meetings to share updates, review progress and plan ahead; we have run bi-weekly webinars on a wide range of topics; and we have conducted monthly business surveys.

These sessions have all proved invaluable and we have consolidated their findings and interventions into an Economic Management Framework for Covid-19 Response, which we have shared widely and with senior government leaders.

**As stated in the CEO's statement, our engagements with government particularly at the Ministerial and Presidential levels have yielded a number of government interventions and stimulus measures to cushion businesses during the pandemic,** which has given them an opportunity for recovery, saving the over 5 million jobs that were at risk.

Thankfully, we have come to learn that a large number of businesses across many industries have recently embraced technology, restructured operations to align with the new reality or repurposed their business to meet new demands. We firmly believe that such changes in business models reflect what will be required across all industries for businesses to be successful in this new Covid era.

Regarding the economy, we expect slower economic growth of 2.5 percent this year, but a full rebound to 5.8 percent by the end of 2021. The Covid-19 pandemic will bring about many policy and regulatory hurdles and restrictions locally and internationally. We must therefore keep abreast of changing customer demands and trends to ensure Kenya remains attractive to trade and investment while maintaining health and safety standards.

# Finance Chairmans' Statement

## AUDITED FINANCIAL STATEMENTS FOR FINANCIAL YEAR 2019

The Board presents the audited annual financial statements for Financial Year 2019. The auditor has issued a non-qualified opinion, which indicates that the financial statements give a true and fair view of the financial position of KEPSA. Highlights of the financials are as follows:

### Statement of Profit & Loss and other comprehensive income

#### I. Income

- a) The Public Private Dialogue (PPD) and Projects income in the year was KES 77M against 2018's restated amount of 103M. With a number of projects and PPD funds with 2 -3 year cycles closing in the prior year new cycles took long to be negotiated, as the business climate was severely affected by 2017 elections. However, two new multi -year contracts were signed with TradeMark East Africa (TMEA) and the Embassy of Netherlands in 2019. Given that both contracts were signed later in the year at (Mid-year and in September respectively) the revenues for this category kicked in only for the months after the contracts were signed and activities started thus the reflected 25% dip. We also had MasterCard foundation multi-year contract signed in December of 2019 but the funds were only received early 2020. However, the Company was still on course with planned PPD activities for the year, with some partners sponsoring some of our PPD activities by paying vendors directly as shown in Note 11 in the full financial statements circulated.
- b) Membership subscriptions decreased marginally from KES 75M to KES 72M (4% decrease) because of some members citing challenging times in their businesses. Despite this decline in revenues, almost 100 new members joined us in the year, with over 60 of these being in the SME and Start up Categories).

#### II. Expenditure

Administrative expenses were flat to the prior year, as costs were managed to bare minimum. In relation to declined PPD and projects revenues as explained above, PPD and projects costs which are directly related, decreased by 27% as a result of the contracts starting after mid- year.

Total Revenues for the year were KES 163M, against total expenses of KES 208M resulting in a closing position where expenses exceeded revenues by KES 45M and both fundraising mechanisms and mitigating measures have continued to be put in place to rebuild reserves which constitute our general fund that we build for hard times like we had last year. As the CEO mentioned the turnaround is on course and we had KES 106Million in Revenues against a budget of KES 93Million as at end of May 2020 and revenues in excess of expenses of KES 56Million. This has closed the negative balance of last year and moved to a positive for the year and with all the signed contracts and membership funds, it is projected that 2020 will close at a surplus and thus rebuild our general funds to a tune of KES 55Million as per the budget.

### The Statement of financial position

Fund balances were impacted by the deficit for the year to close at KES -50M. New on the balance sheet due to the adoption of IFRS 16 on "Leases" is the Lease asset of KES 20M and the consequent lease liability of KES 12M. In addition, as a result of applying the matching principle to partner funds, there is now recognition of funds received in advance for multiyear projects and PPD programs as deferred income, with the 2018 comparative being restated, as the deferred income item is new in the 2019 financials.

### Restatement of the 2018 Comparative to the 2019 financials

The restatement of the 2018 comparative numbers relates to revenue recognition for PPD and project funds for contracts with various partners. Previously, the policy was to recognize the funds from partners in full upon receipt. However, this policy was found to be in deviation to IFRS 15 on "Revenue from Contracts with Customers", and therefore so as to be fully compliant with IFRS, it was necessary to restate the 2018 comparatives. 2019 financials reflect the correct treatment in line with the cited IFRS.

The details on the 2019 financial performance is contained in the Annual Report & Financial Statements already shared with Members.

We thank you our members and partners for your continued support to ensure that KEPSA does meet its financial obligations to serve you. We are grateful that despite the Covid-19 effects, we are one of the organizations that has not only been extremely busy responding to your needs but that you have also demonstrated excellent support financially towards this cause.

# Public Private Dialogue Reports

## MILESTONES IN ENGAGEMENT



Presidential Roundtable held in 20th March 2020

### PRESIDENTIAL ROUNDTABLE (PRT)

During the year, we held three Presidential Roundtables (PRT) two of which were held in May 2019.

The first was held on 17<sup>th</sup> May 2020 in partnership with the Delegation of the European Union in Kenya and the European Business Council (EBC). The PRT focused on strengthening the partnership between KEPSA and EU businesses operating in Kenya to drive investment especially in the Big 4 sectors and blue economy. This led to a lot of new investment commitments and establishment of a working partnership with EBC.

The second PRT held on 29<sup>th</sup> May 2019 was aimed at creating linkages between local producers and traders with policy support from government to strengthen local value chains for economic development and reduce importation of cheap/substandard goods. The manufacturers present made commitments to source more inputs from local suppliers, promote import substitution along their value chains, increase production to meet local demand and reduce prices of their products to local traders, capacity build SMEs through trainings/technology transfer and provide financial support.

On the other hand, the businesses requested government for support in ensuring locally produced goods are more competitive by reducing power cost from Ksh 16/kWh to Ksh 9/kWh, removal of IDF and RDL on imported inputs and intermediary goods, reduction of logistics costs via SGR from \$1400 to \$800 per 20 FCL from port to factory door, establishment of wages council to address cost of labour and productivity challenges, prompt payment policy (60 days max) for pending bills and VAT refunds, Reduction of withholding VAT from 6% to 1% and allow offsetting of VAT refunds on other taxes.

Most of these issues were engaged on extensively with different ministries and some were resolved through the 2019 Finance Bill. These included:

- ▶ Reduction of Withholding VAT from 6% to 2% and re-adjustment of the VAT refund formula to ensure exporters are able to fully recover their claims,
- ▶ Reduction of IDF from 2% to 1.5% for industrial inputs and intermediate products while increasing the same to 3% for finished goods
- ▶ RDL was retained at 1.5% for inputs and increased to 2% for finished products,
- ▶ Formation of a team to validate pending bills for payment and VAT refund claims - Ksh 10.9 billion was allocated to settle the verified claims,
- ▶ Introduction of a 30% power rebate scheme on total cost and time of use tariff,
- ▶ Reduction of number of frontline agencies at the port from 28 to 4, among other interventions.



The most recent PRT was held in March 2020 where KEPSA presented proposals for government intervention in cushioning businesses during the Covid-19 pandemic as part of our Economic Management Framework for Covid-19 Response. Following the meeting, the President unveiled a number of economic stimulus measures among them:

- ▶ Reduction of VAT from 16 percent to 14 percent, corporation tax from 30 percent to 25 percent, PAYE from 30 percent to 25 percent and 100 percent waiver for those earning less than 24,000, while Turn-over tax for SMEs was lowered from 3 percent to 1 percent. These measures significantly lowered the tax burden among businesses thus enabling them to stay afloat during the Covid-19 pandemic.
- ▶ We have also seen expedition of payment of pending bills and VAT refunds (Ksh 25 Billion paid by end of June 2020) to ease cash flow challenges,
- ▶ A further reduction of Central Bank Rates from 8.25 percent to 7 percent and Cash Reserve Ratio from 5.25 percent to 4.25 percent that injected Ksh 35 billion more liquidity to enable banks to lend to businesses.
- ▶ Government also followed up with Ksh 56.6 billion budget allocation for different sectors under an 8 point Economic Stimulus Programme, and began a phased re-opening of the economy from July 2020. The measures gave businesses renewed confidence indicated by improvement in CFC Stanbic Bank's PMI Index from 34.8 points in April to 46.6 in June 2020.

## **PRIVATE SECTOR ROUNDTABLE WITH THE NATIONAL DEVELOPMENT IMPLEMENTATION & COMMUNICATION CABINET COMMITTEE (NDICCC)**

In February 2019, KEPSA established a new PPD platform with the government through the National Development Implementation and Communication Cabinet Committee (NDICCC) chaired by Cabinet Secretary Dr. Fred Matiang'i working closely with the Executive Office of the President and the Presidential Delivery Unit. The platform has been very instrumental in driving our advocacy and partnership agenda with Ministries, State Departments and Agencies to enhance private sector role in national development and reporting progress to the President during Presidential Roundtables.



Press briefing during the private sector - government roundtable

Between the period May 2019 - June 2020, three Private Sector-NDICCC Roundtables were held, resulting in many long standing issues agreed during PRT being resolved or getting some traction.

### **The first meeting was held on 17th May 2019 with the following outcomes realised:**

- ▶ The CS committed to ensure the power tariff rebate for manufacturers was gazetted by 30th May 2019,
- ▶ The CS committed to work with National Treasury to expedite payment of pending bills and VAT refunds by end of June 2019 and develop a framework for faster processing of refunds,
- ▶ The CS committed to establish a collaboration framework with Judiciary and Parliament to fast-track important pending cases and legislations respectively,
- ▶ The CS further committed to work with Council of Governors in addressing issues such as cost of wayleaves which increases cost of power evacuation;
- ▶ The CS committed to ensure that only four agencies were allowed to operate at the port of Mombasa for faster cargo clearance.
- ▶ Also from this meeting, KEPSA was offered a seat in the NDIC Cabinet Committee and Technical Committee meetings comprising of PSs under observer status to ensure faster resolution of private sector issues.
- ▶ Majority of the issues and the commitments listed above were realised through the 2019/2020 Budget Policy Statement and Finance Bill.



**The second Private Sector-NDICCC Roundtable was held on 18th November 2019 at the Kenya School of Government**, and through this meeting, significant progress was made in addressing the issues tabled by the private sector touching on the cross-cutting thematic areas of the NBA-III and the Big-4 sectors.

- ▶ Specifically, the government promised to monitor implementation of key projects at the Cabinet and Technical level, as well as the Regional Committees of County Commissioners established through Presidential directive.
- ▶ In this new arrangement, the MDAs would hold monthly meetings with various Sector Boards and the KEPSA-NDICCC Roundtable held on quarterly basis to review progress, and prepare a consolidated matrix of issues to be elevated to PRT.

**The third Private Sector-NDICCC Roundtable was held on 27th May 2020**, in the middle of the Coronavirus pandemic. The main agenda was to discuss strategies for business continuity and re-opening of the economy to reduce the impact of Covid-19 pandemic. The meeting set pace for development of Private Sector Protocols on Reopening of the Economy which were later adopted by Ministry of Industrialization, Trade and Enterprise Development to form part of the Guidelines for Business Operations during Covid-19. This allowed the beginning of phased re-opening of the economy from July 2020.

Some of the measures private sector had undertaken to preserve the economy and support health response include:

- ▶ **Establishment of a Covid-19 Business Response Committee** and development of Economic Management Framework for Covid-19 Response.
- ▶ **Communications and Business Support:** KEPSA set up a 24-hour Call Center with a toll-free number 1196 and a digital engagement portal to enable sharing of information with links to match various businesses - manufacturers, SMEs and consumers for supply chain continuity and ensure availability of critical inputs during the pandemic.
- ▶ **Digitization of business operations and logistical efficiency:** Some ICT companies waived fees for transacting on digital platforms, fast tracked accreditation of forty tele-healthcare providers, created a digital platform for ecommerce, freely shared educational materials, and training of thousands of SMEs on digital skills and online marketing.
- ▶ **Innovation:**  
The aviation industry re-engineered and converted passenger flights to transport fresh produce and flowers to Europe;

**Igniting the “Made in Kenya” label** through re-configuration of factories and production lines to produce Personal Protective Equipment (PPEs), with a daily capacity to produce about one million meters of polypropylene, and the production of over 240,000 litres of hand sanitizers using local ethanol. KAM had further introduced two innovative ventilator models.

**Flowers of Hope and Market Sustainability:** in collaboration with members in the Agriculture Sector, KEPSA launched the “Flowers of Hope” project, first sending flowers to Kenya's markets in Europe, and later to local hospitals. The idea was to spread a message of hope and compassion, as well as maintain and attract new markets in Europe. Other donations were also added to the package including face masks worth over Ksh 3 million distributed to over 10 hospitals in Kenya, and several hospitals in the United Kingdom (UK).

► **Cross Sectorial Collaboration:**

*Wheels of life:* a KHF initiative in partnership with Bolt Digital Taxi Services, to assist expectant mothers to access hospitals during curfew hours – By mid-June, 428 women had been transported to health facilities. Through the line, KEPSA also launched “Men in Silence” program to support on mental and Gender Based Violence issues, as well as telehealth services by linking callers with medical professionals.

*Safe Hands* collaboration of over 30 companies to distribute free soap, sanitizers, and face masks to the most vulnerable communities in Kenya.

► **Improvement in Ease of Doing Business:** advocated for 48 hour approvals from KEBS for local manufacturing, removal of PVOC on essential products (e.g. PPEs) and zero rating of key goods, including medical equipment, agricultural inputs, and imported maize and wheat.

► **Issuance of stickers by KEPSA management** to members who handle products listed as essential to ensure smooth business operations.

► **Resource Mobilization:** In support of government efforts in combating the Covid-19 pandemic, KEPSA mobilized its members contribution through:

Cash or in kind donations the Covid19 fund, provision of water, soap and tanks and hand washing stations, distribution of essential supplies to the most vulnerable in the society, provision of thermal guns, umbrellas to the police, ventilators, sanitizers, masks, PPEs, education e-learning platforms, telecommunication support, advertising and communications, mattresses, digital commerce program, digital resources and training.

The Kenya HealthCare Federation (KHF), partnered with Ministry of Health (MoH) to procure over 35,000 Covid19 test kits from Roche, and opened a purchase line from KEMSA.

The banking sector restructured Ksh 273 billion worth of loans by April 2020 to cushion businesses (especially SMEs and individuals)

The private sector (hotels) offered facilities to be used as quarantine and isolation centers and worked tirelessly with government in handling all the issues that arose in effective management of people who had been isolated in those facilities.

► **Spurring solutions and economic bright spots:** during this period, KEPSA hosted weekly webinars, bringing together business leaders to engage on topical subjects to spur solutions and share insights with members. During these webinars, various government leaders were also engaged including the Central Bank Governor, several Principal Secretaries and other government officials.

## SPEAKERS ROUND TABLES

### SPEAKERS ROUND TABLE WITH THE NATIONAL ASSEMBLY



The Speaker's Round Table is an institutionalized platform that provides for structured engagements between the Private Sector and the legislature for drawing synergies on interventions towards economic growth and development in Kenya through pro-growth policies and legislations.



In 2019, the Speaker's Round Table with the National Assembly was held on 18<sup>th</sup> October 2019 at Travellers Beach Hotel, Mombasa County. It brought together Members of the National Assembly led by the Speaker, Hon. Justin Muturi, EGH, MP and Private Sector leaders led by the KEPSA Chairman Mr. Nik Nesbitt and CEO Ms. Carole Karuga. The theme of Roundtable was "Critical role of the legislature and private sector in boosting economic competitiveness for growth and employment creation".

### **Key Outcomes and Resolutions of the National Assembly Roundtable:**

- a) National Assembly and KEPSA would work together with the National Treasury to review the tax regime for the business sector to make it competitive and enable private sector to re-invest in the economy and in turn create more jobs. This was enacted as Tax Laws Amendment Act end of March 2020, which introduced certain tax reprieves to businesses, specifically on reduction of VAT and reduction of PAYE rates to make it easier for businesses to retain their employees in light of the effects of the pandemic.
- b) The National Assembly to review and make amendments to the Public Finance Management Act, 2012 and Regulations on borrowing limits by the Government in the domestic market with the view to stop crowding out private sector and increase access to credit availability to the private sector to spur economic activities and greater tax revenue. The Public Finance Management (Amendment) Bill of 2020 was passed into law on 9<sup>th</sup> July 2020.
- c) KEPSA to work with the National Treasury to speed up finalization of the Policy to support the enhancement of County Government Own-Source Revenue in order to minimize County Government's total reliance on the equitable share. On 13<sup>th</sup> March 2020, the National Assembly Departmental Committee on Finance and National Planning deliberated on the Policy. KEPSA made its presentations through sector representations from the Kenya Chamber of Mines, Institute of Public Finance, Retail Traders Association, Safaricom and the Tea industry representative.
- d) KEPSA would review and make proposals on reforming the Public-Private Partnerships (PPPs) framework to increase participation of the private sector and make it possible for domestic and external investments to come through into reality in a bid to reduce borrowing and fiscal deficit.
- e) Parliament would amend the Public Procurement and Asset Disposal Act, 2015 to include a clause that provides that people doing business with the government sign a business code of ethics in order to allow KEPSA to follow up on such transactions.
- f) Parliament and KEPSA would work together to ensure operationalization of the Bribery Act, 2016, including the development of accompanying Regulations.
- g) The National Assembly and KEPSA would review the effect of excise tax increase on cigarettes and alcohol products proposed in the Finance Bill, 2019 with a view to averting unintended consequences.
- h) KEPSA to engage the National Assembly at Departmental Committee level towards the review of the EAC Non-Tariff Barriers Act, 2017 and spearhead the harmonization of complementary legislations among the East African Community states in order to enhance trade facilitation, removal of Non-Tariff Barriers as well as address the issue of Non-Tariff Barriers affecting Kenyan businesses within the East Africa bloc.
- i) KEPSA to assist in advocating for removal of illegal ungazetted road blocks in line with the Traffic Act Cap 403 of the Laws of Kenya towards improving transport and logistics efficiency.
- j) KEPSA to engage the National Assembly at Departmental Committee level to address sectorial issues affecting trade facilitation and report progress during the Speaker's Roundtable so as to enhance efficiency of the legislative engagements.
- k) The National Assembly shall develop the Critical Infrastructure Bill within the 12th Parliamentary Session.



- l) The National Assembly to develop the required regulations in anticipation of the enactment of the Data Protection Bill, 2019 into law in order to expedite the operationalization of the law.
- m) The National Assembly to review and update laws in a bid to change reference of Kenya Posts and Telecommunications Corporation to ICT Infrastructure in the authorization of buildings particularly to assist County Governments as well as designate ICT as one of the utilities required during construction.
- n) The National Assembly to enact laws that protect ICT infrastructure such as data cables.
- o) The National Assembly to ensure the streamlining of the Universal Access Taxation and Actual Tax Remittances as well as simplifying the digital taxation regime for all players in the sector to ensure adequate compliance.
- p) The National Assembly to follow up with the relevant implementations agencies to ensure that regulatory recommendations on various legislations relating to the Digital Economy are implemented.
- q) KEPSA to engage with the National Assembly Committee on Information Communication and Innovation on the proposed ICT Practitioners Bill.
- r) The National Assembly to fast track the development and adoption of the National Sustainable Waste Management Bill. KEPSA widely participated in the stakeholder engagement process leading to the drafting of the

Bill which has been approved by Cabinet and now is set for tabling before Parliament.

- s) KEPSA to engage with the National Assembly Environment and Natural Resources Committee on the Sustainable Waste Management Bill.
- t) KEPSA to engage the Ministry of Environment and Forestry, National Assembly and relevant stakeholders to develop a National Policy and Legislative framework for Transitioning Kenya to a Green and Circular Economy pathway.
- u) A national framework for determination of fines, penalties' and sentences based on risk mitigation, promotion of advisory and gradual compliance opportunities with due consideration on risk, gravity, magnitude and frequency of occurrence rather than command and control only shall be developed by all the relevant stakeholders.
- v) The National Assembly to work in partnership with the Private Sector to develop alternate policy options to assess funding for parastatals vis-à-vis their rates of return and consider legislative interventions to increase their service delivery, efficiency and maximize their rate of returns.
- w) Parliament to establish county level KRAs to facilitate transparent tax collection, enhanced fiscal accountability and address duplicity of taxes.
- x) The National Assembly to fast track the enactment of the Amendment of the Competition Act, 2010 on Buyer Power privilege as proposed in the Finance Bill, 2019 to protect MSMEs by ensuring that they have cash flow to trade.
- y) The National assembly to enhance the implementation of the MSME Act, 2012 and actualize MSME fund envisioned in the Act as well as review and classify the MSME tax bracket as a low cadre.
- z) To support SMEs, the National Assembly would enhance the Local Content Policy of Buy Kenya – Build Kenya to protecting local producers by creating market quotas; in partnership with KEPSA, develop a Start –Up Policy, fast track the establishment of Biashara Bank that will consolidate various funds; and appropriate legal framework to secure infrastructure for MSMEs development.

## SPEAKERS ROUND TABLE WITH THE SENATE

The 2019 Senate Speaker's Round Table was held on the 8th November 2019 at the Great Rift Valley Lodge, Nakuru County. This was the 5<sup>th</sup> Round Table with the Senate. The theme of the Roundtable was **"Boosting Business Competitiveness in the Counties for Growth and Job Creation: The Roles of the Senate and the Private Sector"**. It built on the success of the previous SRT engagement and provided an opportunity to develop more focused targeted and relevant legislative interventions for boosting Kenya's economic competitiveness for growth and job creation.

### Key Outcomes and Resolutions of the National Assembly Roundtable

KEPSA and Senate agreed to initiate legislative and regulatory reforms in the following areas:

- a) Senate to introduce a legislative framework for county licensing that will ensure quantification of levies, enhance accountability, eliminate competition among counties, and introduce a single national business license while ensuring equitable sharing of collected resources among counties from the single license.
- b) Implement the County Own Source Revenue Policy, and fast track enactment of the County Governments (Revenue Raising Process) Bill that will harmonize taxes and reduce duplicity in the various taxes & levies in the counties. The Bill lapsed in December 2019, however KEPSA will engage Senate on re-introduction of a Bill once the statutory timelines lapse.
- c) Expedite the County Licensing (Uniform procedures) Bill 2019 which will harmonise the application process for trade licences, and create certainty in the process. This went through Second Reading in December 2019 and is now due for the Committee of the whole.
- d) Tackle over-regulation and over-taxation of certain sectors such as security, agriculture, tourism and energy (among others). There have been engagements through the Tax Laws Amendment Bill 2020 and the Finance Bill 2020, and continuous engagement is ongoing.
- e) To work towards restructuring of night time power tariffs to ensure profitability and create a conducive environment that encourages private power generation.



- f) Fast track enactment of prompt payment legislation and discounted bill facilities for suppliers to use in order to ensure faster injection of money in the economy. The Prompt Payment Bill 2020 is now at the Second Reading stage in Senate.
- g) Well thought out and strategic investment plans, that are aligned to infrastructure development that are tied to strategic national interests such as extension of SGR to Uganda and operationalization of the LAPSET project.

### LEGISLATIVE AGENDA

In line with KEPSA's critical role in business, economic and political reforms, KEPSA's legislative engagement included two Speaker's Roundtables (with National Assembly and the Senate), in addition to continued engagements with different Parliamentary Departmental Committees to provide input into Bills key to private sector.

#### a) Bills

Key Bills and regulations that were enacted during the year that KEPSA made submissions to include:

- ▶ Finance Bill 2020
- ▶ Tax Laws Amendment Bill 2020
- ▶ Business Laws Amendment Bill 2019
- ▶ The Special Economic Zones (Amendment) Regulations 2020;
- ▶ The Crops (Tea Industry) Regulations) 2020





However, most of our proposals were rejected thus opening up opportunity to initiate amendments at the opportune time. The Business Laws Amendment Bill is the subject of KEPSA's petition to Senate.

#### **b) Bills Pending Enactment:**

- ▶ Pandemic Response and Management Bill 2020;
- ▶ Breastfeeding Mothers Bill 2019;
- ▶ Nairobi City County Trade Pop up Markets and Street Vendors Bill, 2019
- ▶ Income Tax Bill, 2018 (now withdrawn)
- ▶ County Own Source Revenue Policy and the County Governments Revenue Raising Process Bill 2018 (lapsed).

#### **c) Other Bills**

Other Bills that are still in the draft stage that KEPSA took part in formulating include:

1. National Waste Management Bill 2019 and Policy approved on 28<sup>th</sup> May 2020 by Cabinet, headed to Parliament;
2. Memorandum for review of the TVET Amendment Act 2013;
3. Kenya Customs Agents and Freight Forwarder Bill, 2020;
4. Draft Affordable Housing Bill
5. Paramedic Practitioners Bill 2019

#### **(d) Petitions**

KEPSA also filed a Petition at the Senate touching on Lands Registries Administration Issues, which culminated into a tripartite meeting between KEPSA, the CS Lands & Physical Planning and the Senate Committee on Lands, Environment and Natural Resources on the issues currently affecting the Lands Registries and Digitization of Land Records & Processes. It was agreed during the meeting the Ministry of Lands and Physical Planning will be informing KEPSA and other stakeholders before any further closure of the land registry and the digitalization process to go on while service are being offered to the public. The Cabinet Secretary Ministry of Lands and Physical Planning informed the Meeting that the National Lands Information Management System for Nairobi City County will be launched by the end of September 2020

KEPSA successfully moved the High Court of Kenya through MISC CIVIL APPLICATION NO. E721 OF 2020, seeking orders to allow itself and its non-listed members to employ the use technology to hold their respective AGMs during the ongoing pandemic that prohibits any public gatherings. This makes it possible for private companies to hold their AGMs virtually.

### **SECTOR BOARD ENGAGEMENTS WITH MINISTRIES, DEPARTMENTS AND AGENCIES**

#### **PUBLIC FINANCE SECTOR BOARD**

##### **Key engagements during the year**

- ▶ The sector board engaged with National Treasury to validate the Medium Term Expenditure Framework Reports and also provided inputs on the Budget Policy Statement through oral presentation to National Treasury. In furtherance of these, the Sector Board engaged the National Assembly Committee on Budget and National Planning, the Parliamentary Budget Office and the Debt Management Office.
- ▶ Another engagement was held with the National Treasury on 14th February 2020 that discussed the formulation of the National Credit Guarantee Framework to support SME non-collateral financing.



- ▶ Through the sector board, KEPSA engaged the Central Bank of Kenya (CBK) Governor on 25th February 2020. The main take out was there is need for coordinated efforts towards rationalizing the fiscal discipline as a country.
- ▶ It made submission on the Finance Bill 2020 and Tax Amendment Bill 2020 memoranda where some of the proposals outlined by KEPSA were adopted.
- ▶ Similarly, it held the Tax Round Table with KRA where both KRA and KEPSA agreed to;
  - i) Create a Micro and Small Enterprise Division at KRA
  - ii) Continue engagement with relevant stakeholders to address issues relating to implementation of the Value Added Tax (VAT) AUTO-ASSESSMENT (VAA) solution.
  - iii) Fast Track the formation of the National Tax Policy expected to address the existing structural, institutional and other inherent problems in the tax system.
  - iv) Integrate systems (iTax and ICMS) to facilitate faster refund claims processing and timely verification.
  - v) Payment of over Ksh.20 Billion of VAT refunds owed by KRA.

#### Major achievements by the Sector Board during the year

- a) Increased awareness of KEPSA members on the budget-making process. This led to formation of a partnership with KPMG and PwC on the post budget statement analysis.

- b) Submission of Finance Bill 2019 and 2020 to the National Assembly. The house committee accepted the following from proposals from KEPSA;

- Removal of the withholding tax to the various services.
- Not to increase the Capital Gains Tax from 5percent to 12.5percent.mendment of the deeming provision for imported services, which was under section 10 of the bill to also cover for non-registered persons.
- Zero rating agricultural pest control products.
- The amendment to ensure that levy on paint, resin, and shoe polish is borne by the licensed manufactures as opposed to importers avoiding double taxation

- c) The Sector Board continuously engaged with National Treasury on the formation of the National Credit Guarantee Framework to support SME non-collateral financing. In the year we have seen a Ksh. 3 billion commitment from government towards the same cause.

- d) Through the sector board, KEPSA engaged the CBK Governor on 25th February 2020. The main take out was there is need for coordinated efforts towards rationalizing the fiscal discipline as a country.

- e) The sector board has engaged with KRA through the Tax Round Table and other engagements through the year and KRA has paid over Ksh.35 Billion in terms of VAT refunds.

#### EDUCATION SECTOR BOARD

##### Engagements held during the year

- ▶ The Sector Board had two engagements with the Technical Vocational Education Training Authority (TVETA) on the formulation of a Management Information System (MIS). The system allows online accreditation of TVET colleges and programs and licensing of trainers/assessors and verifiers. Further, the sector participated in the nomination of TVET board members.

- ▶ The Sector Board held an Education Ministerial Stakeholder Forum on 19th February 2020 and eleven (11) resolutions were agreed upon during the meeting.
- ▶ It also met with the State Department of Trade on implementation of education services in the Integrated National Export Development and Promotion Strategy. The different services in the Education Sector were mapped out to ensure to facilitate exportation of the same to make Kenya an international education hub.
- ▶ The Sector engaged with the Ministry of Education under the Education COVID-19 response Committee. The Committee's mandate was to draft recommendations on how to safely re-open education institutions amidst the pandemic.
- ▶ Further, the Sector engaged with the State Department for TVET and a checklist for re-opening the sub-sector during Covid pandemic was agreed upon, borrowing largely from the sector's SOPs. The checklist also measures the level of preparedness of the TVET colleges.
- ▶ Other key engagements include two engagements with Kenya National Qualification Authority, two engagements with Kenya Universities and Colleges Central Placement Service (KUCCPS) and one with the TVET Curriculum, Development, Assessment and Certification Council.

#### Major achievements by the Sector Board during the year

- a) Basic Sector Board Chair appointed to sit in the task force on enhancing access, relevance, transition, equity and quality for effective curriculum reforms implementation. The transition to Competency-Based Curriculum has been smooth with the task force offering solutions to emerging issues.
- b) With input from the Sector Education Sessional Paper 1 of 2019 was launched. The sessional paper anchors the Competency-Based Curriculum.
- c) Kenya National Qualification Framework launched; international students now can be equated and transition to tertiary level education. The British Curricula offered by Cambridge and the International Baccalaureate (IB) offered curricula have started the process of approval by KNQA.



- d) Sector Members participated in formulation of more than 100 Occupational Standards and CBET curricula through the participation of TVET-CDACC Sector Skills Advisory Committees.
- e) Increased Private TVETs which have been accredited to offer the CBET curricula.
- f) The National Research Fund(NRF) where the Higher Education Chair is got their categorization letter and will be recruiting 6 staff. NRF has been operating with a lean staff of 2 since 2015 affecting the Countries research activities.
- g) The TVETA Management Information System was launched after the Sector Board engaged with TVETA on 17th February 2020 and gave input into the same. The system allows online accreditation of TVET colleges and programs and licensing of trainers/assessors and verifiers. Further, the sector participated in the nomination of TVET board members.
- h) The Sector engaged with the State Department for TVET and a checklist for re-opening the sub-sector borrowing largely from the sector's SOPs. The checklist also measures the level of preparedness of the TVET colleges.
- i) The Sector engaged with the Ministry of Education under the Education COVID 19 response committee. The committee has as to drafted recommendations on how to safely re-open education institutions amidst the pandemic.
- j) The Sector Board held an Education Ministerial Stakeholder Forum on 19th February 2020 and 11 resolutions were agreed upon during the meeting.
- k) Engagement with the State Department of Trade on implementation of education services in the Integrated National Export Development and Promotion Strategy. The different services in the Education Sector were mapped out to ensure to facilitate exportation of the same to make Kenya an international education hub.



## ICT SECTOR BOARD

### Key Engagements held during the year

- ▶ The ICT Sector Board met with the Ministry of ICT in 2019 on the National Broadband Strategy.
- ▶ The KEPSA ICT Sector Board held a meeting with the National Assembly Departmental Committee on Communication, Innovation, and Communication to make oral submissions on the Data Protection Bill.
- ▶ The Sector Board together with KONZA Technopolis and Ministry of ICT held a breakfast meeting to highlight key investment opportunities at the KONZA Technopolis.
- ▶ The Sector Board partnered with Strathmore University and undertook a study on how to operationalize the proposals given in the Finance Act 2019 on taxing the digital market place. The Sector Board also led a meeting with KRA on the Digital Service Tax and further made submissions to National Assembly.
- ▶ The Sector Board held the first-ever ICT Tax Dialogue Forum between ICT Industry players and KRA.
- ▶ The Private Sector met with ICT Authority to discuss investment opportunities within the projects being implemented under the National Optic Fiber Backbone and Digital Learning Program.
- ▶ The Sector Board led a meeting with the Communications Authority (CAK) of Kenya who committed to collaborating with the Private Sector to apprise members on the CA type approval process.

### Major achievements by the Sector Board during the year

- a) The National Broadband strategy (2018-2023) was signed by the Cabinet Secretary of ICT which looks to address some of the gaps identified in the previous strategy (2013-2018), focusing on seven thematic areas, namely: infrastructure and connectivity; services, content and applications; capacity building and innovations; policy, legislation, and regulation; privacy and security; broadband devices; and finance and investment.



Ajira Programme Meeting With The National Assembly - January 15, 2020

- b) KEPSA members were incorporated into the Digital Economy Taskforce Committee to help improve Kenya's and Africa's ability to leapfrog economic growth.
- c) ICT Authority will incorporate private Sector into the Projects they are undertaking.
- d) The Sector Board's memoranda were considered in the Data Protection Bill that was enacted into law on 8th November 2019.
- e) Kenya Revenue Authority (KRA) launched the Digital Market Place Regulations 2020.
- f) The Ministry of ICT tasked KEPSA to come up with a comprehensive Policy Brief on the Film Policy to highlight interventions needed to be presented to the Cabinet Secretary.
- g) Following the study on taxation of digital market place spearheaded by the Sector Board, KRA and National Treasury agreed to engage with industry players in developing regulations.

## SECURITY SECTOR BOARD

### Key engagements during the year

- ▶ The Sector Board held an MSF with the Ministry of Interior and National Coordination and discussed, among other things, the Draft CCTV Policy that was developed by the Sector Board and the Critical Infrastructure Policy.
- ▶ It also held two forums with the Ministry of Defence in the year 2019. The meetings agreed that KEPSA would organize platforms for MOD to meet the entire KEPSA membership and engage directly with companies; KEPSA would jointly prepare a humanitarian response strategy that includes prevention, response, and mitigation; and, establish Ministerial Stakeholder Forum between KEPSA and MOD.



- ▶ It also held two forums with the National Counter-Terrorism Centre.
- ▶ Further, the Security Sector Board met with the Private Security Regulatory Authority, which was attended also by various Security Associations namely Kenya Professionals Society of Criminology, Association of Corporate and Industrial Security Professionals and discussed the Private Security Regulations.

#### Major Achievements

- a) The Draft zero CCTV policy that was developed by the KEPSA Security Sector Board was adopted by The Ministry of Interior and National Government.
- b) KEPSA Security Sector Board co-vice Chair Mr. Steve Barry was appointed to sit and serve in the Private Security Regulatory Authority Board
- c) Following the Sector Board's follow-through, the Ministry of Interior and National Coordination reintroduced the Critical Infrastructure Policy document.
- d) The Sector Board signed a Memorandum of Understanding with the National Counter Terrorism Centre on 9th October 2019. This partnership focuses on the development of information, education and communication (IEC) materials for the wider private sector on how to share information on detected terror-related incidences. It also focusses on training and capacity building of the private sector on Countering Violence Extremism (CVE), joint sensitization forums and campaigns to enhance awareness among the private sector, among other areas.
- e) Through a partnership between KEPSA and the National Counter-Terrorism Center, various associations agreed to penetration tests and vulnerability tests to increase counterterrorism awareness and assess preparedness.
- f) The KEPSA Security Sector Board was incorporated on a multi-stakeholder taskforce to address the lack of Disaster Risk Management Framework.
- g) The KEPSA Security Sector Board met with the Parliamentary Committee on Finance and National Planning to discuss the 5percent withholding tax on security services in the Finance Bill 2019. From the meeting, the 5percent withholding tax proposed in the Private Security Regulations on taxing security services was waived in the Finance Bill 2019 hence making security services more affordable.

## ENERGY AND EXTRACTIVES SECTOR BOARD

### Key engagements during the year

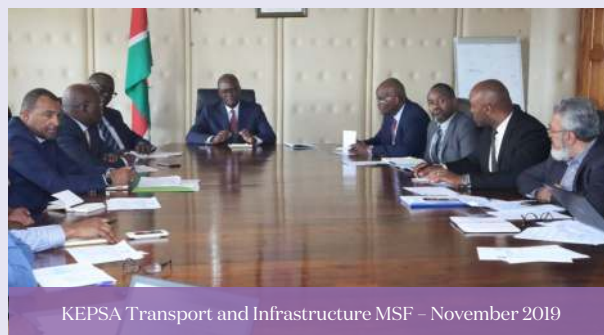
- ▶ The sector board engagement with the Ministry of Energy focusing on reliability of power, incentive to increase demand to power to match the supply and development of the Bio-Energy sector.
- ▶ The sector board engaged with the Ministry of Petroleum and Mining to come up with a framework of creating a favourable environment for development of the extractives sector.
- ▶ Engagement with the State Department of Petroleum whose aim was to help the private sector understand the impact of the oil conflict between Russia and Saudi Arabia to the businesses and the country. This was also in relation to COVID 19.
- ▶ Engagement with Kenya Power and Lighting Company (KPLC) focusing on signing of new Power Purchase Agreements (PPAs) and future acquisition of new capacity.
- ▶ Engagement with Energy and Petroleum Regulatory Authority (EPRA) whose aim was to address members concerns for both the energy and petroleum sectors as the regulator.
- ▶ The sector board held a meeting with the Rural Electrification and Renewable Energy Corporation (REREC) to understand the strategic plan of REREC in line with the Energy Act 2019, areas of collaboration with the private sector and the opportunities for the private sector in the renewable energy sector.

## Major Achievements

- a) Enactment of the Energy Act 2019 and the Petroleum 2019
- b) 30 percent electricity cost reduction plan through a rebate system for the manufacturer based on increasing energy consumption, capital investment and sales volumes.
- c) Development of the Draft Bio Energy Framework Sector, which will guide the development Bio Energy Sector.
- d) Development of Transparency and Accountability Framework in the Upstream Sector.
- e) Gazettement and implementation of Legal Notice 100, The Petroleum (LPG) Regulations 2019).
- f) The government have set up a different committee for the development of different regulations to operationalize the Petroleum and Energy Act 2019.
- g) The Launching of the Kenya National Electrification Strategy.
- h) The launching of Gender Policy by the Ministry of Energy.
- i) Formation of the Joint Working Groups with the Ministry of Petroleum and Mining.
- j) Development of the Draft Energy (Energy Management) Regulations, 2020.
- k) Gazettement of the Community Development Agreement Committees for the Mining Sector.



## TRANSPORT AND INFRASTRUCTURE SECTOR BOARD



### Key engagements during the year

- ▶ The Sector Board has engaged with Ministry of Transport, Infrastructure, Housing and Urban Development twice in the period mainly focusing on addressing the concerns on the operations of Standard Gauge Railways on freight and the air cargo sector.
- ▶ The Sector Board also had an engagement with Nairobi Metropolitan Area Transport Authority to get an update toward the development of an integrated, efficient, effective and sustainable public transport system within the Metropolitan Area.

## Major Achievements

- a) Adoption of the report of the Joint Technical Committee on the Improvement of Efficiency and Cost Effectiveness of Transportation of Cargo using SGR. Adoption of this report resulted in the following achievements:
  - KAA agreed to come up with a strategy of addressing the high cost of air cargo;
  - Cargo Handling Operators to give 24/7 service for no extra fees after 4pm, weekdays and weekends;
  - Formation of Joint Monitoring team on the SGR cargo operations. The Monitoring team will include the stakeholders who were heavily involved in Joint Technical Committee on the Improvement of Efficiency and Cost Effectiveness of Transportation of cargo using SGR.



- Revert to 11 days' free period as per what was originally in place since inception of ICDE.
- The verification of cargo would be as follows:
  - i) Full verification to apply the current tariff (\$80 or \$120).
  - ii) Partial verification to apply half of this rate (Following WTO Convention and Protocol).
  - iii) For sight and release no verification charge is applicable.
- The rail rate to be reduced for both Nairobi and Naivasha ICD

- b) Formation of Joint Committee that will come up with the Transport Master Plan
- c) Formation of Joint working committee on development of Air Cargo Transport Strategy.
- d) Completion of the second phase of the SGR from Nairobi to Naivasha.
- e) Development of protocols and implementing them to ensure transport and logistic sector continue offering services during this period of COVID 19

## SPORTS, ARTS AND CULTURE SECTOR BOARD

### Key engagements during the year

The Sector Board held a Ministerial Stakeholders' Forum with the Ministry of Sports, Culture and Heritage on that was focusing on the development of a recovery strategy for the sports and creatively which have been heavily negatively impacted by COVID 19.

### Major Achievements

- a) Gazettement of Public Finance Management Act (Sports, Arts and Social Development Fund) (Amendment) Regulations, 2018
- b) Development of a stimulus programme to help the struggling sportspersons due to COVID-19.
- c) Formation of three Joint committees on sports, creative and legal with the Ministry of Sports, Culture and Heritage which will addressing key issues from the sector.
- d) Formation of a taskforce to come up with protocols for reopening of sports in the country.

- e) Inclusion of Kenya Safari Rally into the International Automobile Federation World Rally Championship 2020
- f) Development of another set of Drones Regulations after the previous ones were annulled by the Parliamentary Departmental Committee of Delegated Legislation

## LANDS, PHYSICAL PLANNING AND HOUSING SECTOR BOARD

### Key engagements during the year

- ▶ The Sector Board held the Lands and Physical Planning Ministerial Stakeholders Forum, which focused on the progress of the development of the National Land information management system, land transactions process, and the national titling programme.
- ▶ KEPSA engaged with the State Department of Housing and Urban Development to get an update on the Affordable Housing pillar of the Big-Four Agenda and how both KEPSA and the State Department would collaborate to realize the agenda.
- ▶ KEPSA engaged with Senate Select Committee on Road and Transport on the issue of National Construction Authority (Defect Liability) regulations 2020, which had been gazetted without proper engagement with stakeholders.
- ▶ KEPSA engaged twice with Senate Select Committee on Lands, Environment and Natural Resources regarding KEPSA petition on Land Registry Processes.



Lands Ministerial Stakeholder Forum - March 9, 2020

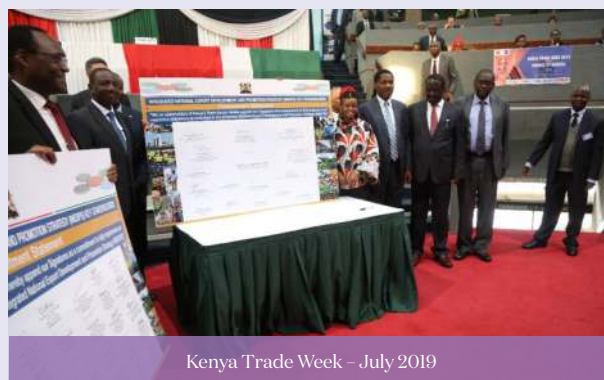
## Major Achievements

- a) Enactment of the Urban Areas and Cities Amendment Bill 2017, Land Value Index Amendment Act 2018 and Physical and Land Use Planning Act 2019.
- b) Enhancement of Kenya Mortgage Refinance Company (KMRC) which is an initiative by the National Treasury and World Bank to support the affordable housing agenda by providing secure, long-term funding to the mortgage lenders, thereby increasing the availability and affordability of mortgage loans to Kenyans
- c) Publication of the Electronic Land Transactions, Registration, Conveyancing & Other Related Activities Task Force Report.
- d) Review of the National Housing Fund Regulations 2020 to make contribution to the National Housing Fund voluntary as per KEPSA proposal.
- e) Enactment of the Business Law Amendment Act 2020 that will allow operationalization of a National Land Information Management System.
- f) Development of the National Land Information Management System (NLIMS) by the Ministry of Lands and Physical Planning and is expected to be launched by the end of September 2020.

## TRADE AND INDUSTRIALIZATION SECTOR BOARD

### Key engagements during the year

- ▶ The Sector Board engaged the Ministry of Trade and Industry on maximization of exports to the United States of America (USA) under the African Growth and Opportunity Act (AGOA) ahead of the program's expiry in 2025. It further engaged the Ministry on the Local Content Policy aimed at strengthening local capacity for locally manufactured goods and international competitiveness of Kenyan firms at community, county and national level
- ▶ The Sector Board engaged the Special Economic Zones Authority (SEZA) in organising Investment Promotion Forums in Mombasa, Kisumu and Nairobi to disseminate information on investment opportunities under the SEZ programmes.
- ▶ The Sector Board provided a memorandum on the Supplemental Special Economic Zones Regulations 2019.



## Major Achievements

- a) Vetting of applications for exemption for bonafide manufacturers for importation of industrial spare parts for machinery of Chapters 84 & 85 of the EAC Common External Tariff.
- b) Facilitated continuity of operations past curfew hours amidst the COVID 19 period by providing a list of essential goods manufacturers.
- c) Assisted the Ministry of Trade and Industry in the development of the Standard Operation Procedures for the full reopening of the Industrialization and Manufacturing sector.
- d) Assisted KEBS in formulating the standards of locally manufactured PPEs, woven masks, ventilator design, and gumboots to assist in the fight of the Corona pandemic.
- e) The Special Economic Zones (Amendment) Regulations, 2020 were gazetted on March 20, 2020.
- f) Consistency and follow-through with the multiagency team on the fight against illicit trade in Kenya led to the following key results:
  - Alcohol sector recapturing 60percent of their market share.
  - Review of border posts and engaging relevant agencies on the management of border points i.e. KRA, Police, Immigration and other relevant agencies.
  - Tightening of porous entry and exit border points.
  - 100percent inspection and verification of Imports.
  - Crack downs that have led to seizure of counterfeits, arrests and prosecution of perpetrators.

- g) Enactment of the Trade Remedies Act that would facilitate creation of an agency to deal with dumping of products.
- h) The National Trade Facilitation Committee, which KEPSA co-chairs with the Ministry finalized Notification of Category B and C Measures of the WTO Trade Facilitation Agreement to help in the implementation of the Agreement and facilitate simplified cross border trade.
- i) The incorporation of Buy Kenya build Kenya on performance contracts hence helping grow the manufacturing sector due to the increased purchase of locally produced goods and services by both the Public and Private sectors.

## AGRICULTURE, LIVESTOCK AND FISHERIES SECTOR BOARD

### Key engagements during the year

- ▶ The Sector held its 2nd and 3rd Agriculture Sector Stakeholders Workshops on 24th October, 2019 and 4th December, 2019 and a National Agriculture Summit on 26-27 February 2020
- ▶ During the year under review, the Ministry of Agriculture, Livestock, Fisheries and Cooperatives and KEPSA convened four Ministerial Stakeholders Forum on 25th Oct, 2019, 25th Nov, 2019, 18th Dec, 2019 and 21st Feb, 2020.
- ▶ Further, it held two consultative meetings with the Ministry of East Africa Community & Regional Development on 16 March 2020 and the Ministry Industrialization, Trade and Enterprise Development on 18 March 2020 to address concerns affecting the horticulture sector following COVID-19 outbreak.
- ▶ Held a special session with the Parliamentary Committee on Agriculture on October 18 2019 during the National Assembly Speaker's Round Table.
- ▶ Lastly, it held a meeting with KEPHIS on 3rd June 2020 to discuss key issues affecting the sector and explore opportunities for partnership.



Agriculture Sector Meeting With CS Kiunjuri - November 25, 2019

### Major Achievements

- a) KEPSA and the Ministry of Agriculture, Livestock, Fisheries and Cooperatives formed joint subcommittee, which meets every two weeks to resolve issues affecting the private sector.
- b) The Agriculture Sector Network (ASNET) was launched in February 2020
- c) VAT refunds: about 60 percent has been paid to the sector.
- d) Following consultations, the Ministry of Trade, Industry and Enterprise issued a gazette notice on permanent removal of PVoC requirement for seeds, agrochemicals and veterinary medicines.
- e) Approval of the Livestock Bill 2020 by the Cabinet
- f) Classification of agricultural inputs service and food produce as essential when the COVID-19 restrictions were in force.
- g) With input from members, the Crops (Irish Potato) Regulations, 2019 were gazetted on 5th April, 2019. The Regulations address the challenges brought by the use of extended bags. With the regulations in place the allowable maximum weight per unit package is 50kgs. Implementation of the regulations is ongoing with active support by NPCK
- h) With input from members, the Agriculture Sector Transformation and Growth Strategy (ASTGS) and the National Agriculture Investment Plan (NAIP) were officially unveiled in July 2019.



- i) Pesticides which were previously VAT exempt were Zero rated in the Finance Bill 2019 hence making pesticides more affordable to farmers. This was a key request from the sector.
- j) With input from members, the Warehouse Receipt Systems (WRS) Act 2019 was gazetted on 18th June 2019.
- k) The Warehouse Receipt Systems Council was inaugurated and Mrs. Jane Ngige, Vice-Chair of the Sector was appointed as Chairperson.
- l) The draft Dairy regulations 2019 were withdrawn and are under public review.
- m) KEPSA was appointed to the Livestock Master Plan Steering Committee, Board of Kenya Tsetse and Trypanosomiasis Eradication Council as well as various KEBS Technical Committees.
- n) Flower exports are back up to 90percent and adding valuable foreign exchange to the country, helping reduce the Balance of Payments deficit.
- o) ASNET formed the private sector UK-Kenya team, led by Richard Fox and comprising of 11 members with cross section of BMOs.
- p) Removal of PVOC requirement for seeds, animal health products and live plants,
- q) KEPSA and the Ministry of East Africa Community and Regional Development formed joint technical working group (TWG) for the agriculture sector to be meeting every month to focus on trade facilitation for agriculture produce in the region.
- r) KEPHIS and ASNET will step up engagement with the EU to address MRLs. Structures to support all players met their end of bargain need to be established.
- s) KEPHIS and ASNET will form and operationalize joint technical working committees on food safety, plant health, seed, and on lobbying for funding from government & donors. The committee will identify projects that can be supported by development partners

## EAST AFRICAN COMMUNITY AFFAIRS SECTOR BOARD

### Key engagements during the year

- ▶ A regional private sector consultative workshop to update the private sector on EAC tariff offers to Africa Continental Free Trade Area (AfCFTA) on 24th - 25th June 2019.
- ▶ EABC-KEPSA and ITC Workshop on World Trade Organization (WTO) Trade Facilitation Agreement (TFA) - 26th - 27th June 2019.
- ▶ Trademark East Africa (TMEA) Regional Workshop Integrating Public Private Dialogue for Trade and Investment in East Africa- 10th -11th July 2019
- ▶ National Consultative Workshop on the African Continental Free Trade Area (AfCFTA) – 18th - 19th July 2019
- ▶ Regional Workshop on EAC-CET REVIEW on 22nd Aug 2019.
- ▶ High Level Conference on Trade Integration in the EAC on 25th -27th September, 2019.
- ▶ Development of EAC CAADP Regional Agriculture Investment Plan (RAIP) - 14th Nov, 2019
- ▶ EABC High Level Business and Investment Summit in Arusha - 28th -29th Nov, 2019
- ▶ EABC - ITC Regional Training on Effective Advocacy to enhance removal of Trade obstacles in the Coffee Sector in the EAC region from 10th - 12th December 2019 in Arusha, Tanzania
- ▶ Engagement with KRA on ease of doing business and trading across borders - 17th June, 2020
- ▶ Virtual engagement with KRA on June 17, 2020 over reforms implemented by KRA like Green channel and possible challenges being experienced by the private sector while trading across borders.

## Major Achievements

- a) The pilot project for the Green channel for spices, tea, herbs, new spare parts has been rolled out. Main benefit is expedited cargo clearance. The number of documents has also reduced significantly. This and other regulations have been published on the KEBS and KenTrade and KRA and MyGov websites for the specific classifications and other protocols.
- b) addition of the Port Health, KEPHIS, and Tea directorate to the platform to assist traders
- c) The cargo scanning on the SGR has now been commissioned. Cargo can be scanned in motion. In addition, the need for double verification (at source & destination) has been removed. This will only be done once and the info will be relayed to the destination in real-time
- d) IDF can now be done in a matter of minutes so long as all documents are in order
- e) Export documentation process has been reviewed and documents required now have significantly reduced.
- f) 31 NTB's were resolved and members updated on progress made to resolve the outstanding NTB's to open up market access for export.
- g) EAC member states agreed on an overall 4-band CET tariff structure. However, the final determination on Maximum CET Rate above 25percent is still under discussion.
- h) KRA Customs Department rolled out a cargo clearance process known as "Green Channel" to facilitate a faster and efficient external trade during this period when the country is implementing various measures to deal with impact of COVID-19.

## DEVOLUTION AND PLANNING SECTOR BOARD

### Key engagements during the year

- ▶ The Sector Board engaged with the Ministry of Devolution and ASAL on the development of the Policy on Establishment of County Economic Blocs by County Governments. The purpose of this policy is to strengthen the implementation of the devolved system of government by providing a framework for inter-county cooperation in the performance of their functions. The policy was finalised in May 2019 and was presented to the Cabinet.
- ▶ The sector board also engaged with the Intergovernmental Technical Relations Committee (IGRTC), in the development of the Alternative Dispute Resolution Mechanism Regulations that seeks to mainstream alternative dispute resolutions mechanism in settlement of intergovernmental disputes.
- ▶ The sector board was a member of the National Population Census Steering Committee under the State Department of Planning, participated in the development of frameworks for conducting the 2019, Kenya Population and Housing Census. The Census, collected information on size and socio economic characteristics of the population among other data sets.
- ▶ As a member of the National Inter-Agency Committee on SDGs, the sector board, participated in the development of the Country's 2019 Progress Report for the Implementation on Sustainable Development Goals
- ▶ The sector board also held a consultative meeting with the County Assembly Forum (CAF) and agreed that a Memorandum of Understanding should be formulated to guide the private sector engagements with the CAF.
- ▶ The sector board also engaged with Society of Clerk's at the Table (SOCCAT) with the aim of the forging a partnership that ensures that devolution is efficient and effective while promoting businesses in the counties.
- ▶ In addition, KEPSA met with the Nairobi Metropolitan Services (NMS) Director General, Maj. General Mohamed Badi to discuss the progress of service delivery in the first 100 days since establishment of NMS, private sector support to NMS and issues affecting private sector thus require intervention by NMS based on the delegated functions.

## Major Achievements

- a) The first ever Gross County Product (GCP) was released in 2019 by the Kenya Bureau of Statics. The GCP report provides official statistics on economic size of counties, the structure of county economics and it also estimates the economic potential of the various counties in different sectors.
- b) Finalisation of the Policy on Establishment of County Economic Bloc by County governments with Sector Board input in May 2019 and subsequent presentation to the Cabinet.
- c) Finalisation of the Development of The Alternative Dispute Resolution Regulations with sector board input.
- d) Conducting of the 2019 Census on 24th and 25th August 2019 and release of the results on 4th November 2019. Current Kenya's population size is 47,554,300, comprising of male female ratio of 98.1 and the inter-censal growth rate of 2.2 per cent.
- e) Submission of Private Sector progress Report on Implementation of Sustainable Development Goals for the Kenya's Voluntary Review Report (VNR) for year 2019.
- f) With Sector Board input, the development of Kenya's SDG Multi-stakeholder Engagement Strategy and Kenya's VNR 2020 Road Map
- g) Agreement to enter into a Memorandum of Understanding between KEPSA and County Assembly Forum (CAF) to guide the private sector engagements on county legislation process.
- h) Agreement to enter into a Memorandum of Understanding to institutionalise Private sector participation in the county budget-making process
- i) Resolution to hold bimonthly structured meetings between NMS and Private Sector to resolve ease of doing business issues in the metropolis, KEPSA to share roads in industrial area that need to be repaired and Private sector to be part of the team that will be visiting different projects undertaken by NMS

## HEALTH SECTOR BOARD

### Key engagements during the year

- ▶ The Sector Board (Kenya Healthcare Federation) engaged with the National Hospital Insurance Fund (NHIF) Reforms panel on restructuring and reforming NHIF and made recommendations on structure, operations, legislation, accreditation, reimbursement framework, quality of care, alignment of NHIFs its core mandate and role of other stakeholders.
- ▶ The Sector also held the 11th and 12th Ministerial Stakeholders Forum (MSF), discussed existing challenges, and proposed solutions in health service delivery in five key pillars: Supply chain, Health regulations, Quality and standards, ICT and Health Financing.
- ▶ It further held six Healthcare County Engagements with the Counties of Samburu, Kericho, Baringo, Nakuru and Narok counties and one Governors Round Table on Malaria.
- ▶ The Sector organised the Private sector consultative meeting on the roadmap towards the Nairobi International Conference on Population and Development (ICPD25) on accelerating the Cairo Promise.
- ▶ The Sector participated in organising the Nakuru County Health Symposium for enhancing health service delivery using a cross sectorial approach. The diaspora was called upon to partner with the Ministry of Health and the Private Health Sector towards making Universal Health Coverage a reality.
- ▶ It hosted a high-level delegation from the Federal Republic of Nigeria in partnership with Ministry of Health on a study tour and knowledge exchange on the Kenyan Healthcare System.
- ▶ The Sector also organised the First Healthcare Convention to celebrate milestones achieved in the health sector towards the realization of Universal Healthcare Coverage (UHC) and to deliberate on positioning of Kenya as a medical tourism hub.
- ▶ The KHF Health Sector Round Up was held in December to celebrate the fruitful partnership that the government had, had with the private sector over the years through the institutionalised public private dialogue platforms.
- ▶ The Sector participated in the second East African Community Ministerial Development Partners and Investors Round Table on Investing in nine Health priority areas in the EAC.



## Major Achievements

- a) Key resolutions for advancement of the sector made during the MSFs included commitment to Public Private Partnerships (PPPs) to boost engagement with the private sector by the Ministry of Health, establishment of national coding system to enable traceability of health products, endorsement of ICD 10, procedure codes and proposed e-health rules engagement to guide telemedicine.
- b) The Sector developed Private Sector Policy paper on the adaptation of standard medical classifications to enable meaningful Health Information Exchange.
- c) M-TIBA and KHF on 6th May 2020 announced an innovative SMS-based service to help the security agencies identify essential healthcare service workers facing travel restrictions during curfew hours and movement into or out of counties with restricted movements. This helped KHF members, who are providers of essential services, to carry on with their official duties during curfew hours, or when transiting through lockdown areas. Over 2,000 staff of KHF member organizations have been registered on the platform's pilot phase.
- d) The formation of a Multi Stakeholder Partners (MSP) dialogue to structure support and the optimization of training and deployment of the chosen specialized health professions, thus contributing to improved universal health services in Kenya.
- e) The Sector mobilised private sector members to donate to COVID19 Fund to support the Ministry of Health. The donations included personal protective equipment for the health workers, testing booths for COVID19, Handbook on Proposed Guidelines on Planning and Design of COVID-19 Quarantine and Treatment Centres. Isuzu East Africa donated two buses, fuel, service to the vehicles and to provide the drivers who would support the medical workers transit schedules, from home to their workplaces until the end of this year among others.
- f) Unveiling of the 'THE DYNAMIC' magazine that marks the successes and milestones achieved over the years during KHF's 10th Anniversary.

## GENDER AND YOUTH SECTOR BOARD



### Key engagements during the year

- ▶ Engagement with the Ministry of Public Service and Gender to;
  - Launch the Africa Women Leaders Network (AWLN), Kenya Chapter launch in March 2020 that aims to strengthen women leadership, galvanize across key gender issues and connect with the African Union
  - Develop 2nd Generation Kenya National Action Plan (2020 – 2024) for implementation of the United Nations Security Council Resolution (UNSCR) 1325 on Women, Peace and Security
  - Deliberate on catalysing job creation for youth through entrepreneurship, spurring rural economies for youth employment and Unlocking Quality Internships in Kenya, beyond
  - Develop a Country position paper and dissemination of Kenya's Report on the Beijing Declaration and Platform for Action: BPFA + 25: Review and Appraisal
- ▶ Engagement with the Senate to discuss on identifying priorities and synergies in deepening public trust on gender mainstreaming in parliamentary business

## Key Achievements

- a) In partnership with the KEPSA Business Hub with funding from the Embassy of Ireland implemented 'Women in Business' initiative that focused on mentorship and capacity building of women and youth-led /owned MSMEs through mentorship sessions were held in March, May, September and October 2019
- b) On 4th November 2019, conducted a Tax Compliance Training Forum with support from Kenya School of Revenue Administration (KESRA)
- c) Supported KEPSA Management to finalize a partnership with MasterCard Foundation towards supporting MSMEs recovery, resilience and catalysing growth during and post COVID 19 and will seek to provide access to finances, support for business recovery services, undertaking of a study on socio economic impact of COVID 19 on women/ youth led businesses as well as provision of Gender specialist services
- d) Supported KEPSA management to engage in a partnership with Educate Global (EG), a private equity manager focused on impact investments in mid-sized businesses in the Food, Health and Education sectors, to support women-owned enterprises and build the resilience of value chains in essential industries
- e) As a follow up to the Supplier Diversity Summit held in May 2019 and efforts to enhance market linkages for women and youth – owned / led businesses, a list of 60 women vendors consented for their details was submitted to various corporates to enhance diversity in their supply chains.
- f) The proportion of women on the board in Kenya continues to improve as evidenced by the latest study conducted in 2019 by the Nairobi Securities Exchange (NSE) to assess all listed companies in Kenya on gender equality in the workplace and revealed that women account for 23% of board member
- g) The Government continues to implement measures to streamline AGPO to support Youth, Women and Persons with Disabilities through capacity building, addressing financial gaps, addressing delayed payments and pending bills.

## ENVIRONMENT, WATER AND NATURAL RESOURCES SECTOR BOARD



Environment Ministerial Stakeholders Forum - August 7, 2019

### Key engagements during the year

- ▶ The Sector Board held a Ministerial Stakeholders Forum with the Ministry of Environment and Forestry where 10 resolutions were agreed upon including the need to effect mandatory extended producer responsibility in the country and the review of the Environment Management and Coordination Act.
- ▶ Sector Board engaged with the Ministry of Tourism and Wildlife Taskforce on Human-Wildlife Conflict Compensation Schemes that was reviewing the existing compensation schemes and developing an implementation strategy that enhances sustainable human-wildlife co-existence.
- ▶ Sector board is a member of the multi-sectorial agency committee the Ministry of Environment and Forestry, engaged in the development of an action plan for sustainable waste management for Nairobi County
- ▶ The sector board engaged with The National Environment Management Authority (NEMA) on Compliance Assistance Programme for industries is a collaborative initiative between NEMA and the Kenya National Cleaner Production Centre (KNCPC) for strengthening environmental compliance assistance efforts through the promotion and implementation of Resource Efficient & Cleaner Production.

- ▶ Sector board engaged with the National Environment Complaints Committee (NECC) on the 2018 Environmental report released by NECC under the thematic theme of, “Environmental degradation in Kenya, between Year 2013 and 2017.” The report showed that, the largest category of complaints is handled by NECC during the period was on waste management at (26%), complaints on air pollution (19%), noise pollution 13%, EIA licensing 12%, water pollution and deforestation at 9% on land use 12%.
- ▶ Sector Board participated in the Kenya Tourism Board (KTB) stakeholders' consultation and validation workshop for the Kenya Tourism Board 2018 – 2023 strategic plan. The strategy aims to reengineer KTB operations to improve business processes and positioning of the tourism sector.
- ▶ Sector Board engaged a member of the Multi-Stakeholder Technical Working Group coordinated by the National Treasury and the Ministry of Environment and Forestry on development by handbook for Climate Change Budget Coding and Tracking.
- ▶ Sector Board engaged with the Danish Minister for Development Cooperation and the Principal Secretary in the Ministry of Environment and Forestry on Kenya's Co-operation with Denmark on Circular Economy and Green Growth.
- ▶ Sector Board participated in the Peer Learning Summit (PLS) on National Adaptation Processes to Accelerate Resilience to Climate Change, co-hosted by the National Adaptation Plan (NAP) Global Network and the Government of the Netherlands in sharing Kenya's lessons on what has (and has not) worked as well to expose participants to new ideas and approaches related to national adaptation planning and action.
- ▶ The Sector Board in partnership with the Global NDC Implementation Partners (GNIplus) and Kenya Climate Innovation Centre Consulting (KCIC Consulting Ltd.) organised the private sector forum on the tracking of climate-related investments in Kenya.

## Key Achievements

- a) With input from KEPSA, finalization of the development of the Sustainable Waste Management Policy and Bill. The Sustainable Waste Management Policy and Bill were finalised and approved by Cabinet on 28th May 2020.
- b) Cabinet Approval on 12th September 2019, of the National Strategy on 10% Tree Cover. KEPSA is a member of the Multi institutional Working Committee on the strategy implementation.
- c) The Second National climate Change Action Plan (2018 – 2022) was approved by the President on 28th May 2020.
- d) With Sector Board, Input, the development of the first draft of the Extended Producer Responsibility Regulations (EPR) that was disseminated for public and stakeholder comments in May 2020.
- e) Setting up of Taskforce to review and align the Environmental Management and Coordination Act. KEPSA is a member of the taskforce.
- f) Submission of input to the Wildlife Compensation Scheme Taskforce on KEPSA submitted the input and views in the following as requested by the Taskforce on views on current compensation schemes. Human-wildlife compensation currently handled by KWS, Compensation funds, issues surrounding establishment of human-wildlife conflict fund, and role of insurance companies in wildlife compensation claims.
- g) Agreement that KEPSA and National Environment Complaints Committee (NECC) to work together to promote environmental compliance and support environmental initiatives as part of corporate social responsibility.
- h) The Kenya Tourism board adopted the Magical Kenya Signature Experience (MKSE), aimed at promoting authentic and exceptional Kenya travel experiences are best aligned to the magical Kenya brand promise. MKSE is aimed at transforming and enhancing Kenya's Competitiveness by offering memorable and authentic experiences.
- i) Agreement that NEMA and KEPSA will forge stronger partnership to enhance transparency, information and awareness of compliance requirements for the realisation of clean, healthy and sustainable management of the environment and natural resources.



- j) Finalisation of the handbook for Climate Change Budget Coding and Tracking Training to support coordination of resource mobilization and track climate expenditures.
- k) Development of the Toolkit for engagement private sector in National Adaptation Plans (NAPs) that supplements the UNFCCC NAP process by the NAP Global Network with KEPSA input.
- l) KEPSA is the implementing component one of the Green Growth and Employment program in collaboration with the Ministry of Environment and Forestry that focuses on improving the public policy environment for private sector engagement in sustainable natural resource use and green growth.
- m) Sector board shared lessons on private sector engagement on climate change with a delegation from the Government of Uganda. It was agreed that there be continued engagement and partnerships with Uganda for the realization of positive strides towards climate finance tagging, budgeting and tracking gearing towards South to South experience.
- n) Sector board shared lessons on private sector engagement on climate change with a delegation from the Government of Uganda on 31st May 2019, Agreement that continued engagement and partnerships from with Uganda for the realization of positive strides towards climate finance tagging, budgeting and tracking gearing towards South to South experience.



Sustainable waste management implementation for centre park plaza - September 26, 2019

## PARTNERING FOR GREEN GROWTH AND GLOBAL GOALS

### Engagements held during the year

- ▶ KEPSA as the Co-chair of the Kenya National Platform for Green Growth and Global Goals organised the 3rd National Workshop for catalysing and developing concrete Public-Private partnerships at scale to deliver on the Sustainable Development Goals and the Paris Climate Agreement.
- ▶ KEPSA participated in the P4G Networks Gathering Meeting in New York and shared experiences in mainstreaming green growth and global goals in national priorities with the platforms 12 countries and other stakeholders.
- ▶ KEPSA CEO, Ms Carol Karuga, was one of the Global Expert Judges of the 2019 State of the Art Partnership Awards, which recognise the world's most innovative public private partnerships for SDGs, which have achieved measurable success based on innovation, impact and scalability.

### Major achievements during the year

- a) The Kenya National P4G Platform is coordinating implementation of a total of 15 partnerships
- b) Amb. Dennis Awori was nominated to join the Global P4G Board.
- c) P4G through the Green Growth and Employment Programme (GGEP) at the Ministry of Environment and Forestry and the Business Advocacy Fund(BAF), supported KEPSA to green The Third National Business Agenda(NBAIII).The Green National Business Agenda identifies strategies and regulatory reforms that both the government and private sector will prioritise in order to catalyse "Green Economic Growth" for Kenya.
- d) Partnership for New Plastics Economy Kenya Project achieved the following key outcomes:
  - Finalization and Launch of the Kenya Plastics Action Plan on management of plastic waste in Kenya on 2nd December 2019. KEPSA was a member of the steering committee.
  - Launch of Beyond Baling Innovation challenge on March 5 2019 to identify innovative solutions for transporting plastic waste.



New Plastic Economy Project Implementors

- Implementing Voluntary extended producer responsibility through PETCO Kenya and charting the way forward on the need for mandatory producer responsibility in Kenya.
- Launch of 5 Waste Recycling Stations for PET in 4 malls in Kenya including Capital Center, Galleria Mall, 2 Rivers, Yaya Center and Gateway Mall, Ciata Mall, Shell Petrol Station – Kilimani.
- Launch of the “Recycling PET Bottles through COPA Coca Cola Africa Championships. 10 African countries participated.
- Run the Kenya Secondary Schools, “Recycle with COPA” Campaign by issuing collection bins and collection bags in 2000 schools. 400 schools participated in collection of PET bottles and a total of 92,057 kilograms or 4,5 million PET bottles were collected and recycled. Matuini High School was the winner in Nairobi Region by collecting 3000 kilograms of PET.
- Recycling of 7704 Metric tones' of PET bottles collected and recycled by PETCO-Kenya
- Launch of Taka Bank, issuance of shopping vouchers with points earned from returning recycled materials in Githurai by the Githuka Waste Management Welfare Group.
- Collection of 600 tones PET bottles by Youth Community Groups in Embakasi and Westlands and Githurai.
- Significant contribution by the partnership to the Sustainable Waste Management Bill and Policy and the Extended Producer Responsibility Regulations and the Nairobi County Sustainable Waste Management action plan.

## SUPPORTING MICRO SMALL AND MEDIUM ENTERPRISES (MSMES) RECOVERY, RESILIENCE AND CATALYSING GROWTH DURING AND POST COVID 19

PSA has partnered with Mastercard Foundation under COVID-19 Recovery and Resilience Program where KEPSA will mobilise its members to access financial support through the Mastercard Foundation Micro, Small and Medium Enterprises (MSME) emergency financial support facility. KEPSA will also develop its business hub to provide additional resources to digitally support MSME businesses during the COVID-19 crisis with information on business opportunities, networking and knowledge to enable the businesses navigate the crisis. This program is expected to target businesses that are owned by, led by or work with young women and young men and to this end, KEPSA will also strengthen its gender organisational capabilities. The following are the key partnership details:

- ▶ Duration: One (1) year
- ▶ Commencement Date: 09th June 2020
- ▶ Implementation end date: 30th June 2021
- ▶ Areas of scope: Country wide
- ▶ Sectors targeted: All
- ▶ Target Group: Businesses owned by, led by or work with young women and young men aged below 35 years
- ▶ Percentage of women: 50%
- ▶ The administration of the finance facility: Independent Fund Manager
- ▶ Targeted number of MSMEs: at least 1000 MSMEs to get either the funding or supported through business development services
- ▶ Funding amounts per MSME: Kshs.100,000 to Kshs.10M

The application of the MSME finance facility will be opened and circulated to all the members in the next few weeks for those eligible to submit their application.

# Public Policy, Research & Analysis

## EVIDENCE BASED ADVOCACY

### National Business Agenda III –Greening

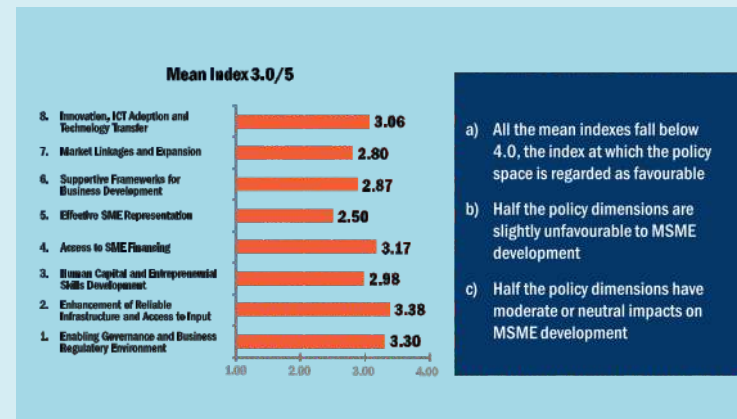
Following the launch of NBA-III during the 2019 AGM, KEPSA embarked on embedding Green Business Environment Reforms (GBER) into the agenda to align it with Sustainable Development of Goals. Request for Proposals was issued in November 2019 and the exercise began in February 2020 after engaging a consultant. The various sector boards were engaged for input and Stakeholder Validation conducted virtually on 11<sup>th</sup> May 2020.

### Countrywide Private Sector Consultations on Draft National Policy on County Governments Own Source Revenue Enhancement 2019 and the County Governments (Revenue Raising Process) Bill, 2018:



The Consultations were held in five regions meetings at Nairobi, Kisumu, Nakuru, Nyeri and Mombasa between 6<sup>th</sup> and 16<sup>th</sup> September 2019 to gather views and input from the private sector on the draft Policy and Bill. The Validation workshop was hosted in Nairobi on 6<sup>th</sup> November 2019 and final report as well as private sector submissions presented to Parliament.

### SME Policy Index



The SME Policy Index was launched on 10th December 2019 during the KEPSA Members' End Year Dinner. The study was conducted between March and June 2018 covering 1,152 MSME owners from diverse sectors across three counties – Nairobi, Kiambu and Machakos, was launched on 10th December 2018. This followed a period of extensive consultations with all key stakeholders including individual SMEs, business associations and institutions involved in SME development work (e.g. Strathmore Business School), public policymakers, research institutions and private sector members. The objective of the study was to assess, gauge, and rank the Kenyan MSME regulatory environment with regards to MSME facilitation and growth along eight policy dimensions.

A stakeholder validation workshop was held on 7th November 2019 at Sarova Panafric Hotel graced by the SME Advisor at the Office of the President Ms. Anne Mutahi, and the forum provided crucial input in strengthening the report and recommendation around the eight policy dimensions covered.

Guided by the SME Policy Index findings, KEPSA initiated a number of interventions to support SMEs during the Covid-19 pandemic. This includes an SME Development and financing programme in partnership with MasterCard Foundation.



## Members' Satisfaction Survey 2019

The Survey was conducted between December 2019 and January 2020, attracting the participation of 33 BMO members, 26 corporates, 14 SMEs and 8 start-ups. Overall, 84 percent of the respondents expressed satisfaction with KEPSA's overall professionalism with 29 percent being very satisfied. 72 percent expressed satisfaction with KEPSA's overall assistance to them while 74 percent agreed that their questions, inquiries and needs were responded to in a timely manner. The survey also received key recommendations on improving KEPSA advocacy and value to members.

## Economic Transformation Committee



The committee chaired by Arch. Lee Karuri, with membership from top KEPSA leaders led Chairman Nick Nesbitt, KEPSA Trustees, Advisors and other economic experts was established to engage on cross-cutting issues affecting the economy and come up with proposals for intervention to put the country on track to achieving the Vision 2030 aspirations in line with the Simba Era Strategy.

As part of the committee's activities, **a National Agriculture Summit** was held on 26th – 27th March 2020 at Safari Park Hotel where the **Agriculture Sector Network (ASNET)** - an Umbrella body for the agriculture sector was launched. The ASNET Board, Council, Trustees and Technical Committees were set up and assumed office from 1st July 2020.

**A Finance, Trade and Investment Network (FINTRINET)** was also established in partnership with the UN SDG platform, National Government, County Governments and Development Partners to drive post-Covid19 economic recovery and transformation of Kenya's economy up to 2030 powered by Finance, Trade & Investment to achieve the Big 4 agenda, Vision 2030 and the SDGs. The first meeting was held on 15th May 2020.

## Covid-19 Impact Surveys

### i) March Survey- Business perspectives on the Impact of Coronavirus on Kenya's Businesses:

The first survey was conducted in early March 2020 with 127 companies to assess how businesses in Kenya had been impacted by the COVID-19 outbreak.

With the survey findings, KEPSA developed an Economic Management Framework for COVID-19 Response and engaged government at Ministerial and Presidential levels leading to roll out of Economic Stimulus measures.

### ii) April Survey – Assessing the effects of Covid-19 and ongoing measures by government and private sector to safeguard businesses and jobs

The survey received a total of 2,466 respondents of which 29percent were micro, 46percent small, 16percent medium and 9percent large enterprises. Education, construction and tourism sectors had the largest number of respondents.

Overall, the vast majority (81percent) of enterprises across all sectors and company sizes had been negatively impacted by Covid-19 with 85percent of small and 83percent of mid-sized companies reporting high or very high impact compared to 78percent of micro-firms and 70percent of large companies. Tourism and Education were the most impacted with 95percent and 93percent of them reporting high to very high impact respectively, due to government imposed closures. Sports/ Arts/ Creative and Agriculture firms reported the next largest level of impact at 90percent and 81percent respectively. Finance, Health/Social Work and Environment/Water/Waste firms reported the least effect with 47percent, 50percent and 56percent of respondents respectively reporting high or very high impact.

### iii) April Survey – “Quantification of pending bills and VAT refunds owed to businesses in Kenya”

The survey was conducted between 24th and 29th April attracting 405 respondents from all sectors of the economy and the businesses were evenly distributed across the different business size categories (micro, small, medium and large). Sector wise, half of the respondents were from Manufacturing, Agriculture, Trade (Wholesale and Retail Trade) and professional Services sectors.



KEPSA CEO meets Inspector General, Mutyambai on business operation during curfew - March 27, 2020

From the survey, 53percent of all respondents said they had pending VAT refunds, while 35percent had pending bills by MDAs, 32percent had pending bills by county governments and 19percent had pending bills by private sector. Across the business size categories, most of the businesses in medium and large size categories had VAT refunds, whereas the majority in Micro had pending bills by County Governments.

Overall, 247 respondents shared their actual pending bills and VAT refunds amounting to Ksh 34.5 billion in total. The pending bills by MDAs accounted for 44percent of this amount, i.e. Ksh 14.8 billion owed to 81 businesses. VAT Refunds accounted for 36percent (Ksh.12 billion) owed to 135 businesses, while pending bills by Counties were Ksh 1.8 b accounting for 5percent of the total amount and Private Sector bills 14percent (Ksh 4.8 b).

Micro enterprises (with 1-9 employees) had Ksh 1.53 billion in pending payments of which 64percent were pending bills by county governments, and 25percent VAT refunds; Small enterprises (with 10-50 employees) had Ksh 1.87 b pending of which 42percent were owed by private sector and 28percent in VAT refunds; Medium sized enterprises (51-300 employees) were owed Ksh 8.75 b of which 50percent (Ksh 4.4 b) was in VAT refunds and 33percent (Ksh 2.88 b) pending bills by MDAs; while large enterprises were owed Ksh 19.6 b of which 58percent (Ksh11.3b) was pending bills by MDAs, 27percent (Ksh 5.2 b) VAT refunds, and 15percent (Ksh 2.96 b) bills by private sector.

Sector wise, health, manufacturing and energy sectors had the largest amounts of pending bills amounting to Ksh 8.4 billion, Ksh 8 billion and Ksh 3.7 b respectively. 97percent of the Health sector pending bills were owed by MDAs (with NHIF owing Ksh. 7.97 billion).

#### iv) May Survey – Assessing the success of Government and Private Sector Interventions to Safeguard Businesses and Jobs during the Covid-19 Pandemic

The Survey was conducted between 30th May and 6th June 2020 attracting 404 respondents from all sectors accounting for 1,546,895 jobs in total. 34percent were women owned/led businesses, 66percent were micro and small enterprises, 21percent medium and 13percent large businesses. Majority (67percent) were from Nairobi County, followed by Mombasa, Kiambu, Kajiado, and Nakuru with between 6percent and 3percent of the respondents each. Tourism and Education sectors had the largest numbers.

**Covid-19 Impact:** Overall, 74percent of the businesses reported high or very high negative impact. Tourism and Education sectors were most hit with 97percent and 92percent reporting high or very high impact; Manufacturing, Wholesale & Retail Trade, and Construction had 83percent, 79percent and 75percent reporting high or very high negative impact. On the other hand, 13percent of those in Finance and Insurance reported positive effect, Environment, Water & Waste management had 10percent positive effect, Health & Social work had 9percent positive effect and 5percent unaffected, in ICT 8percent had positive effect and 4percent were affected, manufacturing had 3percent unaffected while Education had 3percent positive effect.



**Financially,** 63percent of the businesses experienced over 50percent losses as a percentage of their 2019 profits with 35percent experiencing over 90percent losses - mostly from tourism and education sectors. By the end of the year, 64percent expected to lose more than half of their profits - 29percent expecting over 90percent losses. Finance (liquidity) emerged as the most affected aspect for 50percent of businesses while 45percent reported reduced consumer demand and inability to operate given travel/movement restrictions.

**Employee retention:** Overall, 41percent of the businesses had retained all employees with 2percent hiring more particularly from ICT where 12percent hired more, Health & Social work 9percent, Security 4percent, Manufacturing 3percent and Education 2percent. To mitigate the negative effects, 53percent had sent employees home on unpaid leave majority from tourism (78percent), education (79percent) and construction (56percent). 60percent also employed salary cuts and majority were in the above sectors.

**Success of Government interventions:** From the survey, 61percent of the firms had benefited from the reduction of PAYE to 25percent and the 100percent relief for those earning below Ksh. 24k, 48percent had benefited from the Reduction of VAT to 14percent while 45percent benefited from Reduction of Corporate tax to 25percent. Only 12percent, 11percent and 6percent had benefited from cheaper loans, payment of VAT refunds and pending bills respectively. Most businesses recommended prioritization of local procurement, further measures to enable cheaper/accessible loans and protocols to improve inter-county flow of goods.

## Webinars coordinated by the department on different thematic areas to share knowledge and insights with KEPSA members during the COVID-19 period:

- a. Webinar on Resourcefulness and Resilience held on 2nd July 2020 moderated by Catherine Musakali with guest speakers Dr. Modupe Taylor – Pearce BCA CEO and Dr. Martin Otieno, Founder & CEO of the Leadership Group Limited.
- b. Digital jobs and the future of work beyond Covid-19 held on 11th June 2020 where the PS for ICT and Innovation Mr. Jerome Ochieng was chief guest speaker,
- c. Webinar on Rebuilding Trust in Crisis and Recovery held on 4th June 2020. The Guest speaker was Mr. David Horsager, CEO, Trust Edge Leadership Institute, USA.
- d. KEPSA-CBK Governor Webinar held on 21st May 2020; the topic of discussion was Bright spots in the financial markets to spur businesses and jobs during the covid-19 pandemic.
- e. Live webcast on Business Resilience in the midst of a pandemic: what we can learn from Base Titanium – held on 28th May 2020.
- f. Webinar on Potential Bright Spots in the Market during the Covid-19 Pandemic: E-commerce and Digital Solutions to spur Business and Jobs – held on 7th May 2020. Chief Guest was PS for ICT & Innovation Mr. Jerome Ochieng.
- g. Youth Engagements and Women in Entrepreneurship during and after Covid-19 Pandemic – held on 30th April 2020.



# Business Hub

## SUMMARY OF BUSINESS DELEGATIONS, CONFERENCES AND EXHIBITIONS



### Event/Forum

### Date & Venue

### Outcome

Business Forum on the sidelines of the 2nd Belt and Road Forum for International Cooperation

26th to 27th April  
2019 Beijing - China,

KEPSA was a key partner and publicized the forum for its members to attend

The Fifth China Trade Week

5th - 12th June 2019  
Kenyatta International  
Conventional Center  
Nairobi

KEPSA was a key partner to the EXPO. KEPSA charged an admin fee and participated in promotion of the EXPO. KEPSA members attended the EXPO and networked with their visiting Chinese counterparts

Doing Business with Finland Seminar - Focus on the Health Sector

10th June 2019  
Fairmont the Norfolk  
Hotel, Nairobi

KEPSA was a key partner to the forum. KEPSA participated in the organization and promotion of the forum. KEPSA CEO made opening remarks while KEPSA members attended the and networked with their visiting counterparts

Event/Forum	Date & Venue	Outcome
Thought Conversation on Bridging the Gender Divide in Health Innovations	12th June 2019 2pm to 4pm University of Nairobi Manu Chandaria Auditorium	KEPSA was a key partner to the forum. KEPSA participated in the organization and promotion of the forum. KEPSA DCEO participated in the panel discussion while KEPSA members attended the forum
Kenya-Luxembourg Economic Forum	13th June 2019 Crown Plaza Hotel, Nairobi	KEPSA was a key partner to the forum. KEPSA participated in the organization and promotion of the forum. KEPSA Trustee MRS Lucy Karume made opening remarks while KEPSA members attended the and networked with their visiting counterparts
2019 US - Africa Business Summit	18th – 21st June 2019 Maputo Mozambique	KEPSA was part of the planning team and the KEPSA membership attended the forum and benefited from Networking opportunities during the forum
Ethiopia-Kenya High Level investment forum	27th June 2019 Ethiopian Embassy	KEPSA is currently mobilizing its membership to attend this upcoming forum
3rd Kenya Trade Week & Exposition 2019 and COMESA Source 21 International Trade Fair & High-Level Business Summit	15th - 21st July, 2019 Kenyatta International Convention Center	KEPSA was part of the planning team and the KEPSA membership attended the forum and benefited from Networking opportunities during the forum
Cocktail and cultural show hosted by Hon Anil Kumar Gayan, Minister of Tourism of Mauritius	25th July 2019, 6pm Villa Rosa Kempinski Hotel Nairobi	KEPSA was part of the planning team and the KEPSA membership attended the forum and benefited from Networking opportunities during the forum
The Seventh Tokyo International Conference on African Development (TICAD7)	28th - 30th August, 2019 Yokohama	KEPSA was part of the planning team and the KEPSA membership attended the forum and benefited from Networking opportunities during the forum
Autoparts East Africa Exhibition & Conference	12th – 14th September New Sarit Expo Center, Westlands.	KEPSA membership attended the forum and benefited from Networking opportunities during the forum
High level Mauritius Trade & Real Estate Investments Dinner	Thursday, September 12th 2019 Lord Erroll, Runda Nairobi	KEPSA was part of the planning team and the KEPSA membership attended the forum and benefited from Networking opportunities during the forum
Poland - Kenya Economic Forum	18th September 2019 Trademark Hotel	KEPSA membership attended the forum and benefited from Networking opportunities during the forum
Partially Sponsored Trade Mission - ALUEXPO	10 – 12 October 2019 Istanbul - Turkey	KEPSA membership attended the forum and benefited from Networking opportunities during the forum
Russia - Africa Economic Forum	23rd -24th October 2019 Russia	KEPSA was part of the planning team and the KEPSA membership attended the forum and benefited from Networking opportunities during the forum

Event/Forum	Date & Venue	Outcome
AMCHAM Business Summit	4 -5 November 2019, United Nations	KEPSA Chairman delivered welcome remarks on behalf of the private sector and participated in a panel discussion during the forum. KEPSA membership also attended the forum and benefited from Networking opportunities during the forum
Swiss Business Forum	14 <sup>th</sup> November 2019, Radisson Blu	KEPSA membership attended the forum and benefited from Networking opportunities during the forum
The Somaliland Infrastructure , Energy & Extractives conference	21 <sup>st</sup> November, Fairmont Norfolk hotel	KEPSA membership attended the forum and benefited from Networking opportunities during the forum
Partially Sponsored Trade Mission - Plast Eurasia	4th-7th December 2019 Istanbul Turkey	KEPSA membership attended the forum and benefited from Networking opportunities during the forum
ACP Business Summit	6 <sup>th</sup> to 10 December 2019	KEPSA Chair participated in a presidential panel discussion and KEPSA members participated in the business forum
PwC Kenya Webcast Series - African Continental Free Trade Area	30 <sup>th</sup> January 2020	KEPSA in partnership with PWC had its membership participate in this webcast to discuss issues around the ACFTA
KEPSA and the Embassy of Brazil in Kenya hosted a webinar to showcase investment opportunities to APEX Brazil	30 <sup>th</sup> January 2020	Both KEPSA and APEX Brazil members attended the Webinar to get to know more about the investment opportunities available in their respective countries
High- Level Pakistan-Africa Trade Development Business Forum	30 <sup>th</sup> & 31st January 2020 KICC	KEPSA was a key organizer and its membership participated in the conference as well as the B2B Meetings
High Level Canada- Kenya Business Forum	7th February 2020 Serena Hotel	KEPSA coordinated the forum and its membership attended and participated in the B2B networking sessions organized alongside the forum
High level Kenya – Norway Business Forum during the official visit to Kenya by the Crown Prince & Crown Princess of the Kingdom of Norway	11 <sup>th</sup> February 2020 Windsor Golf and Country Club Nairobi	KEPSA members attended the B2B networking meetings
Next Steps in U.S – Kenya Free Trade Negotiations: A Roundtable Discussion	13 <sup>th</sup> February, 2020 Sankara Hotel	KEPSA CEO, CCA CEO and the Kenyan senior government representatives held a round table discussion on how to engage key stakeholders for a win -win situation in the proposed free trade agreement. KEPSA and CCA signed an MoU on the side-lines of this forum
High-Level Germany-Kenya Business Roundtable	24th February 2020 Intercontinental Hotel	Three KEPSA members attend the Business forum that was graced by the German President of which featured B2B meetings with the German delegation. This was an exclusive event that was open to only six private sector participants

Event/Forum	Date & Venue	Outcome
B2B forum with Austrian companies in the construction sector	6th to 8th April 2020, Parkinn Radisson, Westlands	KEPSA members attended the speed dating session with regards to interacting with the visiting Austrian delegation. KEPSA was a key partner in organizing the forum as well as facilitating site visits for the delegation
KEPSA, Venture Lift Africa and other partners hosted a webinar on covid-19 response and recovery through export-import with the us	7th May 2020	KEPSA members attended the webinar to learn how Kenyan businesses can export as well as import from the US as a recovery measure from the Covid 19 pandemic
KEPSA and CCA hosted a webinar on Kenyan government and private sector response to COVID 19	11th May 2020	KEPSA CEO together with Kenya's Deputy Ambassador to the US briefed the US business community on Kenya's response to Covid 19 pandemic as well as reiterated that Kenya was still open for business
Online B2B meetings with textile manufacturers from zhenjiang, china	15th May 2020	KEPSA members participated in the online B2B meetings with textile manufacturers from zhenjiang, china to explore Business Opportunities
KEPSA members participated in online B2B meetings with the Turkish exporters assembly	27th – 29th May 2020	KEPSA members participated in online B2B meetings with the Turkish exporters assembly to look into both import and export opportunities between Kenya and Turkey

KEPSA through its Business Hub with the support of the Embassy of Ireland in Nairobi established the Women in Business Mentorship and training program that was conducted in 2019 with a focus of empowering women led SME's. One of the three turn-key areas identified by KEPSA for strengthening Kenya's internal macro-economic environment, improving efficiency and creating jobs is developing a cohort of viable SMEs and start-ups that will carry the Kenyan brand in the competitive global arena. Informed by this information, KEPSA through its Business Hub with the support of the Embassy of Ireland in Nairobi established the Women in Business Mentorship program. The program aimed to empower Women in Business, principally SMEs to grow their business by creating a platform to meet, share, learn and grow. The program targeted at least 120 Women-led SMEs during each session with an intention for them to benefit from mentorship and training from experienced business leaders and credible organisations.





# KEPSA Foundation



The Foundation, as the social arm of KEPSA, continues to carry out its mandate to champion socio economic transformation of Kenya devoting its resources to social activities to enhance activities by the Private Sector that contribute to the economic and social development in Kenya.

## KEPSA Foundation Leadership

To effectively carry out its vision the Foundation now has 15 Trustees and an Executive committee that guides its strategic and policy direction.

<b>1. Arch. Lee Karuri</b>	<b>Chairman</b>
<b>2. Eng. Patrick Obath</b>	<b>Vice-Chairman</b>
<b>3. Ms. Gloria Ndekei</b>	<b>Treasurer</b>
<b>4. Ms. Carole Karuga</b>	<b>Secretary</b>
<b>5. Amb. Denis Awori</b>	<b>Trustee</b>
<b>6. Dr. Manu Chandaria</b>	<b>Trustee</b>
<b>7. Mr. Bill Lay</b>	<b>Trustee</b>
<b>8. Mr. Arun Devani</b>	<b>Trustee</b>
<b>9. Mr. Nic Nesbitt</b>	<b>Trustee</b>
<b>10. Dr. Vimal Shah</b>	<b>Trustee</b>
<b>11. Ms. Felicity Biriri</b>	<b>Trustee</b>
<b>12. Mr. Sam Mwale</b>	<b>Trustee</b>
<b>13. Ms. Lucy Karume</b>	<b>Trustee</b>
<b>14. Mr. Isaac Okero</b>	<b>Trustee</b>
<b>15. Eng. Erastus Mwongera</b>	<b>Trustee</b>



In the year 2019, the Foundation welcomed 3 new Trustees in the place of Dr. Joe Wanjui (retired), Mr. Keli Kiilu (The Late) and Mr. Karanja Kabage (The Late)

In December 2019 KEPSA Foundation Trustees held a farewell breakfast for one of the Dr. Joe Wanjui, who retired from active leadership after having been actively involved in KEPSA for the past 15 years and served as a Trustee since the inception of the Foundation in 2015

## KEPSA Foundation Projects

**01**

*Socio-Economic Transformation Pillar:*

### Ajira Digital Program - Youth Development

Launched on 9th August 2018, the Multi-Sectoral Initiative is a platform for engagement with leaders

The Government of Kenya, through the Ministry of ICT and in partnership with KEPSA, E-Mobilis and Dalberg with funding from the MasterCard Foundation rolled out the second phase of Ajira Digital Program in January 2020 to bridge the gap between skills demand and jobs by introducing young people to digital and digitally enabled work and provide the tools, training and mentorship needed for young people to work and earn an income with dignity. This is a follow up of the first phase where a total of 7,168 youth (1,983F) acquired relevant skills on online digital work. This phase aims to enable 1 Million Kenyan youth to access dignified work through digital platforms over the next three years:



### **Progress to date:**

**E-Government:** Through a pilot with the Judiciary the program will support the digitization of 32 courts by conducting transcription of judicial process hence enhancing efficiency. So far the following milestones have been met.

- i. KEPSA has contracted two BPO's namely; Adept agencies and Daprom Ltd that will undertake the transcription exercise where 700 youth will be trained and engaged in the provision of transcription services with already an audio recording of 42,240 hours submitted by the judiciary. Within the next three years its anticipated that the pilot will scale up to 80 courts with support from the judiciary which will see at least 3,850 youth employed to provide the transcription servicers. The pilot will setup transcription sites in Homa bay, Mombasa, Kiambu and Embu Counties.
- ii. At the inception of the program, a meeting was held with 31 Members of Parliament who were sensitized on the initiative and its role in creating employment to youth. The MP's committed to support the program in their constituencies to achieve the objectives.

### **Private sector engagement:**

The program aims to sensitize the private sector on digital work and availability of skills through the Ajira portal. The following outcomes have been achieved.

- i. To sustain the provision of services during the COVID-19 period the program supported the development of the private sector response

strategy and has been championing the outsourcing of work to the available resources within the Ajira portal to ensure continuity of services.

- ii. The project collaborated with IBM Digital Nation Africa that aims at upscaling youth skills on new and emerging technologies including Blockchain, Artificial Intelligence, Cyber Security, Internet of Things, Data Science & Analytics, Cloud and Quantum Computing. Through this partnership Ajira is supporting the youth trained to transition to work by linking them with various private sector companies seeking such capacities such as Fastagger who have employed 10 youth with Artificial Intelligence skills for Annotation jobs.
- iii. The program has also partnered with various e-commerce agencies like Jumia, Tuskys, Skygarden, Range and twiga foods to support them with required Ajira resources to sustain business and meet client requests.
- iv. KEPSA is already working on a memorandum of understanding with Open Business where over 450 Ajira youth will be provided with opportunities to scale up the use of point of sale equipment's to make payments as well as tapping on the available skills within the platform to support in installations of the systems thereby increasing jobs for the youth.
- v. KEPSA is also pleased to engage with E-limu company to provide internship opportunities to 10 Ajira youth to develop material to support e-learning during the period to ensure that students continue to learn during the pandemic

- vi. Ajira program also conducted a Webinar titled FUTURE OF WORK BEYOND COVID-19. The key highlight was a presentation by the PS ICT and Innovation, Jerome Ochien'g who underscored the importance of digital work in Kenya as well as the government's plans in terms of infrastructure and legal and policy regulatory frameworks in support of the digital and digitally enabled jobs. The webinar had a total of 230 participants.
- vii. As a case study on the private sector outsourcing digital work Ajira has subcontracted its content creation needs to Ajira youth in partnership with job platforms like AJiry, Fastagger and True-link, through the platforms a total of 105 youth were contracted.

### **Multi-Sectoral Forum (formerly MSIAC): National Values**

The Multi-sectoral Forum (Initially referred to as the Multi-sectoral initiative against corruption) continues to bring together leaders from the different sectors of our society to engage and partner with the Government on two agendas namely:

1. Championing the fight against corruption; and
2. Promoting Sustainable Development in our country.

#### ***Championing the fight against corruption:***

Under this, the forum champions good and accountable governance and also partners with the Government and all relevant agencies in the fight against corruption. Key achievements following the 1st National Anti-corruption conference held in January 2019 and continuous engagement with the Government and all relevant agencies in the fight against corruption include:

- ▶ Re-energized war on graft by the various arms of the government and agencies following the demand from the public. For example, Chief Justice Mr. David Maraga's radical plan to expedite hearings for graft cases, coming immediately after the conference as response to one of the citizen asks.
- ▶ Increased public conversation around the fight against corruption especially in the mainstream media including print, TV and Radio. This included media briefings and updates by the different

sectors such as the Religious leaders, Transport sector. The objective being to highlight and put a voice behind current issues and ensure the fight against corruption remains in focus with the media and in public

- ▶ An energized Public –private effort and approach to the war on graft with strong partnerships being built between MSIAC, EACC, KLIFF, NACCSC & the Council of Governors
- ▶ Increased discussions and engagement with religious institutions especially churches on accepting proceeds from corruption or suspected corrupt sources
- ▶ Media sector: Media town hall meeting on awareness/discussions surrounding corruption undertaken in 5 cities and towns
- ▶ Youth Sector: Youth Caravan in six (6) cities and towns: - Nairobi, Kisumu, Kakamega, Nakuru, Kiambu, and Turkana; Youth engagement: - 45 schools and colleges activated 2 Youth concerts in Umoja and Buruburu
- ▶ Citizen Mobilization through Radio and TV interviews: Objective: Enroll and encourage Kenyan citizenry in the fight against corruption.
- ▶ Private Sector: Continued championing for legislative, policy and institutional reforms through various Public-Private Dialogue (PPD) platforms with a focus on combating corruption and improve public service delivery. The target is to improve Kenya's ranking in the Corruption Perception Index by Transparency International from the current position 144 to the top 50 globally.

#### ***Promoting Sustainable Development***

Key action areas have been identified under this agenda:

- ▶ **BBI Process** – Engagement on the BBI process where the Forum undertook the review of the BBI Taskforce report by the various sectors ensuring inclusivity and subsequently the consolidated submissions were presented to the BBI Taskforce Report Committee on 13th February 2020. Covered live on media, the submissions shifted focus from a political angle to key issues affecting the citizenry at large.

- **COVID-19 Humanitarian support** –COVID-19 response was identified as a key action area under the banner of PAMOJA IMARA Humanitarian response.

### **PAMOJA IMARA Humanitarian Response**

PAMOJA IMARA is a humanitarian support platform convened by the Multi-sectoral Forum for COVID-19 response as well as post COVID-19 period. It brings together members of the different sectors as well as organizations involved in humanitarian aid to synergize efforts towards offering humanitarian support during the COVID-19 crisis. Key areas of intervention identified include humanitarian food, Personal Protective Equipment (PPE's), Water and Sanitation and Psycho-socio support

Additionally, it seeks to create a long term platform on collaboration and information sharing for the Multi-Sectoral forum and humanitarian organizations in Kenya to have a shared vision and united in purpose around humanitarian response.

#### *Achievements:*

- On boarded new partners on to the Pamoja Imara Platform through a Partners Forum induction webinar held on 23rd June 2020. The forum brings together like minded individuals with an interest in humanitarian support and programmes who will form the support base in cash or in kind.
- Development of a one-year strategy document that will guide the activities moving forward
- Development of a distribution platform - A Sponsor /Recipient voucher management system (using mobile phone cash transfer system) that will provide linkage for those who are in need and those who want to support
- Creating opportunities among the members to undertake Joint Activities e.g. GARRA in collaboration with KRCS held a food distribution for 300 Garden Estate primary school parents coming from the informal sector on Marurui, Makau, Githogoro and Githurai. Women representatives from KEPSA in Partnership with Chandaria Foundation distributed food to 120 domestic workers living in Mathare, Githogoro, Kawaida and Ngomongo

### **Kilimani Police Station Redevelopment Project – Security**



Enhancing investment in community security and police welfare through public-private partnerships to rehabilitate the police stations in order to provide a conducive environment for the police officers to undertake their duties.

In the month of May 2019, the Steering committee had an introductory meeting with the new Inspector General to apprise him on the project. The IG pledged his commitment to the project and promised to continue from where his predecessor left off. The team also met the CEC Lands & Urban planning at the Nairobi City County Council and agreed in writing to waive the approval fee for the drawing plans. Also agreed upon was the payment of the Ksh 50M commitment to the project in 2 instalments of Ksh 25M each directly to the contractors.

In June 2019 the project went to tender for contractors and sub-contractors and were able to identify potential contractors to be engaged to bring the project to fruition.

In September 2019, the project hosted a cocktail fundraising event at the Radisson Blu for Corporates with the aim of raising funds for the police project. Among the major corporates present, EABL alongside Coca Cola, Mars & Wrigley, Safaricom Ltd and Unilever committed to being on board and were happy to work together as part of the steering committee. Discussions are ongoing with key benefactors towards raising funds to complete the project.

Fundraising process On-going. Key strategies used include:



- ▶ adopting of a brick at Ksh.1000/= per brick for individuals,
- ▶ adopting a brick for the whole family at Ksh.1000/= per family member (for resident mobilization),
- ▶ adopting a brick at 1000/= for each employee for the entire organization,
- ▶ direct cash donation commensurate with one's capability, through to picking particular budgetary item and fully financing it
- ▶ giving in kind support that has direct value to the whole project campaign

Through these strategies the project received financial support from CPF Financial services and a commitment to donate a basic first aid container clinic; Syngenta, with support towards a garden and technical expertise in setting up the garden at the Police station; and Pacific Insurance, which included the offer of office space for committee and planning meetings.

### **Better Business Practices for Children – Children Welfare**



BBPC Monitoring Visit in Githurai- November 2019

The UNICEF funded project, Better Business Practices for Children aims at leveraging and Scaling up private sector intervention in line with the National Initiatives of promoting and improving Maternal, Infant and Young Child Nutrition (MIYCN) Practices. The current phase of the project is reaching the women in the low urban settlement poor with key MIYCN messages in a bid to ensure an improvement in the health and nutrition outcomes of women and children.

### **Achievements:**

- In August 2019, the BBPC project commissioned the phase III baseline study with a purpose of assessing Knowledge, Attitude and Practices (KAPs) on Maternal, Infant and Young Child Nutrition (MIYCN) among women in women groups/SACCOs and investment clubs and agro-processors & food marketers in Nairobi low settlement areas. The study was conducted in three low urban settlements i.e. Githurai, Gatina and Githogoro with a purpose generating information against which to monitor and assess the progress and effectiveness of the program and further inform the implementation of the program.
- Findings from the study indicated poor childcare practices characterized by the low frequency of consumption of nutritious foods among many children due to the poor socioeconomic status. The study also identified the main factors affecting MIYCN practices among women to include; job demands, lack of breast feeding spaces, chronic illnesses like cancer and HIV, inadequate breast milk, having a next pregnancy too soon and other cultural barriers.
- The project conducted a Women Chama Leaders Training of Trainers workshop at the Centre for Domestic Training and Development (CDTD), on 18th to 20th September, 2019. The training targeted 30 women "chama" leaders from Githurai and Mathare settlements and sensitized them on the importance of incorporating MIYCN messages into their chama programs. This was to ensure ripple effect whereby the trained women train others thus promoting widespread awareness of MIYCN messages in the low urban settlement areas thereby improved MIYCN Knowledge, attitude and practices and outcomes.
- Following the training of the women chama leaders, the BBPC project team conducted follow up visits to the women chama meetings to determine if the groups were embracing the agenda of revolutionizing their Chama's by adopting key MIYCN messages as part of their programmes. 15 of the groups in Mathare and Githurai settlement areas were visited with findings from the visits showing great strides of embracing this agenda.

- e) During the Speakers Roundtable for KEPSA with the Senate in November 2019, the BBPC Advisor had an opportunity to speak to the members of the Senate outlining the project achievements and highlighting the need to contribute to advocacy towards passing of child friendly laws by both the National Assembly and Senate. It also created an opportunity to advocate towards establishment of lactation rooms in both private and public spaces.
- f) In order to mitigate the negative effects related to COVID 19 Pandemic on infants and young children especially among the low urban and rural settlers, the BBPC project is creating awareness by developing and disseminating key MIYCN messages through the use of national and vernacular radio stations to enhance a wider reach. This aims to remind the mothers, families and communities on the importance of following the appropriate feeding practices as well as ensuring they access the required health care especially for infants and children. Messages disseminated in 8 different languages namely; English, Kiswahili, Kamba, Kalenjin, Kikuyu, Meru, Luo and Luhya have been recorded for airing.

### ***Women in Business Forum: North meets East***



North meets east WIB Conference - September 6-7, 2019

KEPSA Foundation in partnership with the Government successfully organized the North Meet East Women in Business conference from 5-8th September 2019. The conference brought together leading businesswomen from North (Egypt) and East Africa to build new partnerships and collaborations, and to explore new business opportunities across both regions. The conference also sought to address existing barriers to trade across the regions, while giving the business leaders an opportunity to share best practices and to learn from each other for the sake of business growth.

Some of the key agreements included:

- ▶ KEPSA and Government to establish the Kenya Business Council that will look at how the two countries will do business together
- ▶ Formulation and signing of a memorandum of understanding between the two countries on tourism
- ▶ Stanbic Bank Kenya and Egypt Development Bank (EDB) enter into an agreement on how to structure bilateral credit targeting women in business

### ***The Nairobi Forum – Social Impact***

The Nairobi Forum is a transformative Initiative established with the aim of improving the livelihood of Nairobi citizens whilst also restoring Kenya's capital and positioning it to become the hub of Africa. It exists to influence initiatives towards enabling Nairobi become the number one city to live, work and invest in Africa, rising to be at par with other world class cities.

*Achievements:*

- ▶ During the inaugural workshop, brought together stakeholders with diverse initiatives geared toward improving the state of Nairobi to formulate a practical strategy and come up with a roadmap on implementation of the same.
- ▶ Initiated the development of the Leadership Nairobi programme – A leadership training programme that aims to help participants get a deeper understanding of their leadership style and the issues of the day focusing on reimagining of Nairobi through innovation and collaborative problem solving for transformational leadership and increased impact through civic engagement.

### ***Natural Capital Network – Environment***

An umbrella body set to establish a single, unified and affirmative voice amongst the natural capital sphere players and actors in Kenya. The objective is to aggregate all sub-sectors within Natural Capital, Tourism Sector and the entire Biodiversity to advocate under one voice and strengthen the capacity of members to voice their issues and partner with Government, County Governments and International bodies. The network held its inaugural meeting in October and is in the process of developing a working strategy and has carried out a detailed mapping out the different stakeholders in the various sector while identifying cross sectoral issues.

### Sustainable Inclusive Business



4th Private Sector conference on sustainable business practices - May 2019

The third phase (2019-2022) of the project was approved through the Embassy of the Kingdom of the Netherlands (EKN); During this period the project will focus on empowering the private sector to embrace sustainability in their business models, reduce the carbon footprint, and increase their positive impact on people and planet while generating profits. The project has initiated engagement platforms that support organizations to measure their impact on sustainability and inclusiveness. Some of the achievements during this period as highlighted below.

- a) **Building Partnerships** - In the fight against COVID-19, launched a Business Community PartnerUp platform which linked organizations undertaking various response initiatives to share activities, leverage and synergize efforts towards a common good. 19 organizations listed on the platform, reporting positive feedback as a result of connections received.
- b) **Monitoring sector trends** - A trend report highlighting the circular economy was launched with an aim to raise awareness on the need to shift from a linear to a circular economy. An online course was developed, informed by the single-use plastic action plan that details the items that are considered most disposed litter in protected areas.
- c) **Championing the Adoption of Sustainable Inclusive Business Practices** - SIB-K is developing a business model for a Producer Responsibility Organisation (PRO) in collaboration with Kenya Association of Manufacturers (KAM) and support

from the Netherlands Enterprise Agency (RVO). The project will increase the capacity of Kenyan companies to take responsibility for plastic waste and enable them to expand their business activities related to their responsibility for plastic waste disposal. 70 companies have shown interest to be part of the Producer Responsibility Organization. The setup of the PRO will lead to job creation for collectors and the entity itself.

- d) Increased awareness of Corporate Social Responsibility (CSR), sustainability and inclusiveness amongst Small & Medium Enterprises (SMEs) and corporates.

#### I. Workshops & trainings

- Organized a training on sustainable waste management in partnership with Centre Park Plaza and Taka Taka solutions. As a result of this training, the Centre Park Plaza implemented a waste separation model for all its tenants separating their waste at source in two different categories; wet waste and dry waste.
- SIB-K held a workshop on electronic waste management in December 2019. The workshop brought stakeholders together to discuss the challenges and environmental risk posed by e-waste. A consortium consisting of five partners – SIB-K; Close the Gap, Kenya; WEEE Centre; Sinomet Kenya Ltd and Recykla International was formed to develop an action plan with the view to champion safe management of e-waste within the private sector. The consortium expects to create the right awareness, embrace the right solutions, and increase corporate, institutional, and government ambitions towards tackling E-Waste.

#### II. Events

The 4th Private Sector conference on sustainable business practices was held in May 2019 attracting 230 participants consisting of start-ups, organizations, students as well as international delegates. Key issues addressed included Sustainable solution for urban sanitation, shared values for people & planet in the mining industry, Circular Economy, Saving the Mara river – business impact on the environment, challenges presented by E-waste, Extractives, Farming and Landscape Restoration, Climate change & Biodiversity, Green Construction and Hospitality/Tourism/MICE plastic waste management.



The Opening was brightened up by a Trashion Show, Catwalk with dresses made out of waste!

Participated as the Chief Judges for the 14th edition Eco Warrior Awards 2019 that took place on 26th September 2019 to acknowledge tourism players who continue to spur the sustainable tourism through best practices. The event was held in line with the 2019 United Nations World Tourism Day theme of 'Tourism Jobs and Green Economy' A Better Future for All.

### III. Webinars

In collaboration with Kenya Tourism Federation (KTF), Kenya Association of Tour Operators (KATO), Eco Tourism and Green Tour, Kenya, held a webinar on May 26th, 2020 to educate industry stakeholders on the implementation of the no single-use plastic ban, which took effect on 5th June 2020 in all protected areas including national parks, reserves, beaches, and forests

On May 29th, in partnership with Supply, Systems, and People (SSP) held an open-discussion webinar, to explore the "Effect of Covid-19 on Sustainable Procurement" with an aim to spur the discussion on the need for businesses to view supply chain as an integral part of the organisation that contributes to its sustainability.

### IV. Mainstream & Social Media

To increase awareness on sustainable business practices, the project published 4 newspaper articles newspapers with a reach of approximately 64,000 readerships cumulatively; 3 TV interviews and 1 radio interview were conducted reaching millions of viewers & listeners. Focus has been on creating awareness on single use plastic ban and the launch of the Circular economy trend report. On social media SIB has had 162.3k impressions on Twitter, 21.8K on LinkedIn and 136K on Facebook.

### Knowledge Center Development

KEPSA is seeking to establish a Knowledge Centre to generate and facilitate the dissemination of substantial data and information. This is envisioned to be a platform to provide accessible, credible, market-driven information for use by players in the business environment in Africa and Globally.

A working committee has been constituted through the Foundation and a concept paper developed.



Eco Warrior Awards 2019



# Operations

## Human Resources & Administration

### KEPSA Staffing

KEPSA has played a crucial role in strengthening its human resource capacity with support from partners to ensure that the organization has sufficient team to carry out its mandate as captured in the Business strategy.

KEPSA has recruited twenty two (22) employees over the last one year as follows; two (2) employees under the Trademark East Africa programme that seeks to integrate and strengthen Public-Private Sector Dialogue (PPD) in improving conditions for expanded trade and investment for Kenyan businesses, create jobs and grow the economy; five (5) employees under the Sustainable Inclusive Business supported by the Netherlands Embassy to enable businesses to embrace sustainability in their business models; One (1) employee with support from Alliance for a Green Revolution in Africa to support with the Public Private Dialogue work in the Agriculture Sector Board and eleven (11) with support from MasterCard Foundation to support with the Ajira Digital Project that aims to bridge the gap between skills demand and jobs by introducing young people to digital and digitally enabled work and provide the tools, training and mentorship needed for young people to work and earn an income with dignity.

KEPSA also recruited a Deputy Chief Executive officer and a Marketing and Membership Officer.

On-going recruitments for the Micro Small and Medium Enterprises (MSMEs) supported by MasterCard Foundation. The project supports women led and owned MSMEs recovery, resilience and Catalysing growth during and post COVID 19;

1. SME Specialist
2. Gender Specialist
3. Communications and Digital Media Officer
4. Project Officer MSME Development
5. Legal Advisor

### Staff Attrition

We had six (6) employees leaving the organization, giving attrition rate of 13% for the year.

### Staff Team Building



We continue to create a team work environment that fosters friendship and loyalty. This enables employees to cooperate, work harder and support each other. Our last staff teambuilding took place at Sawela Lodge in Naivasha. In addition to building close working relationships, the teambuilding also provided an opportunity for KEPSA employees to understand KEPSA more.

### Staff Capacity Building

- a. Training and development: KEPSA fully supports learning and continuous development to enable its employees to acquire extra skills for sustainable business and success. This is the strongest pillar that allows KEPSA to achieve its set objectives. 75% of KEPSA staff attended training and development courses within and outside the country with support from different partners. In addition, the team has also been trained on COVID-19 Return to work, organized by Private Sector Training Academy. The training captured; getting staff back to work safely, how to defend against spread of COVID-19, return to work protocol; preventing cross contamination –high risk spots; social distancing, first aid responders, managing meetings and deliveries; dealing with COVID-19 suspects and confirmed cases; cleaning and waste management.



### Capacity Building for KEPSA Board and Sector Board leaders on advocacy.

KEPSA in partnership with Business Advocacy Fund (BAF) organized a two-day advocacy training for its Board members and Sector Board leaders at Sarova Panafric Hotel, Nairobi from 29th to 30th July 2019. The main objective of the training was to strengthen the leaders' capacity for effective advocacy and private public dialogue towards improving Kenya's business environment in line with KEPSA's Mission.

- b. Staff visits to KEPSA members: During the year, KEPSA staff visited a number of organizations to capacity build, gain understanding of their operations as well as the challenges they face during their operations to form part of the KEPSA PPD work. Some of these organizations include; Olkaria Geothermal Plant in Naivasha, Oserian Farm and Turea Limited (Dr. Mattress) in Ruiru



### Review of the KEPSA HR Policies and Procedures Manual

The current KEPSA HR policies and procedures manual was last reviewed in 2012. Since then, there have been fundamental changes in the structure of the organization, the Kenya labour laws & regulations and management of the human resource. The changes have necessitated a review of the HR manual which is currently on-going with a deadline of August 31, 2020.

## Membership Development

### New Members

Our membership gained 97 new members of which 32 were start-ups and 33 SMEs. All these new members were seamlessly on-boarded onto the KEPSA family through quarterly induction talks.

MEMBERSHIP CATEGORY	NO. OF MEMBERS
<i>Business Associations</i>	9
<i>Platinum</i>	6
<i>Diamond</i>	1
<i>Gold</i>	3
<i>Silver</i>	13
<i>SME</i>	33
<i>Startups</i>	32
<b>TOTAL</b>	<b>97</b>



## New Members May 2019-May 2020

	<b>Business Associations</b>
1	Agriculture Council of Kenya
2	Association of Women in Extractives in Kenya
3	Kenya Institute of Planners
4	Kenya Transporters Associations
5	Kenya Women Teachers Association
6	Meat & Livestock Exporters Industry Council
7	Trade Link Association of Kenya
	<b>Corporates</b>
1	Abraham Energy Limited
2	All Stars Mtumba Kenya Limited
3	APT Commodities Limited
4	Ardhi Lords Real Estate Limited
5	Asal Frontiers Limited
6	Aviation & General Security Consultants Limited
7	B2B Africa Limited
8	BCG Consulting Group Limited
9	Biznegize Limited
10	Brightermonday.com Limited
11	Car Importers Association of Kenya
12	Chawang Engineering Enterprises Limited
13	Computer Pride Limited
14	Copia Kenya Limited
15	Craft Barrels Limited
16	Creative Society of Kenya
17	Crestwood Marketing & Communications Limited
18	Dallas Technologies Limited
19	Danco Capital Limited
20	Davmac International Limited
21	Dessra Ventures Limiyed
22	Easy Duka Limited
23	EAZ Sensei Institute of Technology
24	Elecster Kenya Limited
25	Emerging Leaders Foundation
26	Ephilafe Engineering Limited
27	Expertise Global Consulting Limited
28	Flamingo Horticulture Kenya Limited
29	French Society in Kenya
30	Fushia Kenya Limited
31	Gateway Clean Energy (Africa) Ltd
32	Genie Telkom Limited
33	Gennis Consulting Limited
34	Go Gaga Experiential Co. Limited
35	Godel Limited
36	Governance Solution Centre Limited
37	Guardnow Security Group (K) Ltd
38	Human Capital synergies
39	Iden Enterprises Limited
40	Infinity Development Limited

41	JEO Advocates-2019
42	Kilimall International Limited
43	Konza Technopolis Development Authority
44	Lactacare Kenya Limited
45	Ludie Works Limited
46	Lued Chemicals Limited
47	Maflava International Limited
48	MaraMoja Transport Limited
49	Maris Kenya Limited
50	Mega Cotoure Clothing Limited
51	Microcity Kenya Limited
52	Millennial Speak Limited
53	Miriam Kanya & Associates
54	Muhoya -Tetu Limited
55	Mukiri Global Advocates LLP
56	MW & CO. Advocates LLP
57	MyCredit Limited
58	Nairobi Inland Containers Terminal
59	NEMSI Holdings Limited
60	Nouveta Limited
61	Ogutu & Associates
62	Ojiambo Consulting Limited
63	Paytree Group Limited
64	Pearltek Kenya Limited
65	Planon Solutions Limited
66	POA Internet Kenya Limited
67	Polish Investment & Trade Agency
68	Primavera Farms Limited
69	Raino Tech4impact Limited
70	Rift Valley Institute of Business Studies Limited
71	Royal Flora Holland Kenya Limited
72	RWK Associates (K) CPA
73	Serare School Limited
74	Sky Garden Limited
75	SME Founders Association
76	Snetor East Africa Limited
77	Sunculture Kenya Limited
78	Taxify Kenya Limited
79	Tech Innovators Network Think Tank Limited
80	The Karen Hospital
81	TUREA Limited
82	Twiga Foods Limited
83	UBA Kenya Bank Limited
84	Vas Consulting Limited
85	Vegemark Limited
86	Vehicle & Equipment Leasing Limited (VAEL)
87	Victory Farms Limited
88	VitalRay Health Solutions Limited
89	Wanderlust Diaries Limited
90	Wellwise Healthcare Solutions Limited



## Member Activities

**New Members Inductions:** Three sessions were conducted in the months of June, November 2019 and March 2020, with the objective of introducing new members to KEPSA work structure and assist them to plug in KEPSA's advocacy engagements.



Members Induction - March 2020

## Partnerships

**Workshops and Trainings:** July/November 2019 and February 2020 –in partnership with Standard Chartered Bank (SCB), conducted trainings on 'Financial Education for Entrepreneurs (E4E). The three sessions were attended by a total 87 participants drawn from youth and women owned/led businesses and the objective was to assist them build financial capability for Micro Small and Medium Enterprises (MSMEs)



Women group leaders trainer of trainers workshop - September 18, 2019

12th September 2019- In partnership with Private Equity Support (PES), conducted a training session on the processes of raising capital for businesses.



ICC Kenya Training Workshop on INCOTERMS 2020 - February 28, 2020

28th February 2020 – workshop on International Commercial Terms (Incoterms 2020). Incoterms 2020 are a series of pre-defined commercial terms published by the International Chamber of Commerce (ICC) widely used in international commercial transactions and procurement processes. The objective of the workshop was to update participants on the latest revised edition.

## Webinars

Following the outbreak of Covid-19 co-hosted the following webinars with good attendance from the members.

- a) **By USIU on Business Survival Tactics** - Three sessions namely:
  - ▶ 17th April 2020 - Managing Human Resource in light of COVID-19
  - ▶ 22nd April 2020 - Technology Adoption for SMEs
  - ▶ 24th April 2020 – Open forum discussions on how SMEs are coping with COVID-19 pandemic
- b) **By Value Connect on leading through crisis** and how to manoeuvre during the COVID-19 crisis- four sessions namely:
  - ▶ Session 1 (13th May 2020) – A solution for Business Owners
  - ▶ Session 2 (20th May 2020) – How to battle distractions and stress
  - ▶ Session 3 (27th May 2020) – Character in a Crisis
  - ▶ Session 4 (3rd June 2020) – Real leadership in crisis
  - ▶

- c) **By ICC Paris with Chambers and ICC National Committees** on 14 May 2020. Participation from Kenya was impressive.
- d) **By Kaizen Institute** on 18th May 2020 on how companies can better manage the impact of COVID-19, both in the short and long term by investing in Operational Excellence with a laser focus on cutting waste and optimization of all resources.
- e) **By BASF** on 5th June 2020 on formulation of disinfectants in the fight against covid-19

### Support to Members

Issuing of Essential stickers - Following the imposing of a curfew by the government from 7pm to 5 am and cessation of movement in and out of some counties, members dealing with essential products and services were provided with stickers to facilitate their continued operations.

### Support to New Associations

Currently there are four (4) organizations under the KEPSA incubation programme which includes providing boardroom facilities, legal advice and access to participate in the PPD engagements during the incubation period.

- a) **International Chamber of Commerce**
  - ▶ Registration – Registration of the organization was finalized in August 2019.
  - ▶ Commissions – the process of establishing ICC commissions commenced starting with the following:

COMMISSION	LEAD ORGANIZATION
Arbitration and ADR	Chartered Institute of Arbitrators
Banking	Kenya Bankers Association
Trade and Investment Policy	Kenya National Chamber of Commerce & Industry
Corporate Responsibility and Anti-Corruption	KEPSA Foundation (MSIAC)

- ▶ ICC Kenya's nominee was appointed to a new task Force on ADR and Arbitration in ICC Paris.
- ▶ ICC Kenya mobilized participation from Kenya in the ICC/WHO survey. The objective of the survey was to gather real time information in the fight against covid-19 to assist in developing solutions that will help companies tackle the consequences of the pandemic.

- b) **Digital Lenders Association (DLA)** - DLA was formed in early 2019 and officially launched in June 2019. At the launch all the 13 founding member organizations signed a code of conduct committing to fair lending practices as well as adhering to the basic principles governing the association. The association has attracted over 60 corporate organizations.

DLA has since met with the Governor and Deputy Governor of the Central Bank of Kenya, engaged with the National Treasury on the digital finance policy workgroup, the Ministry of Finance on the Technical working group on consumer protection, Safaricom and the cyber fraud awareness and prevention programs and the World Bank/FSD/IPA on collaborative efforts towards financial inclusion, risk based pricing and consumer protection.







- c) **Online Professional Workers Association of Kenya** – The Association has managed to bring together over 400 individuals with expertise web, mobile and software development, admin support, design and creative, translation, legal, customer service, accounting, E-commerce, IT & Networking, Data Science and Analytics. The office bearers have undergone an advocacy training with the Business Advocacy Fund and are due to have a session on taxation with Grant Thornton Consulting. They are engaging in the KEPSA ICT Sector Board and are reaching out to various partners with an interest in the gig economy including, British High Commission, Mercy Corps, International Labour Organization and Fairworks Germany, all with the objective of creating jobs by scaling the online space. Members of the board benefitted from a training session on advocacy with the Business Advocacy Fund (BAF).

d) **International Relations Society of Kenya**

This is a body that will be responsible for the interests of professionals involved in international relations and was formally registered in February 2020. Interim officials have launched a membership recruitment drive and is reaching out to various partners for implanting programs and hosting events.



## PR and Communications

### *Updates to Members*

Regular updates to members and stakeholders continued through the following existing communication platforms:

- ▶ Daily Media Watch
- ▶ Weekly E-shot
- ▶ WhatsApp Groups
- ▶ Email blasts
- ▶ Social Media – Twitter, YouTube, LinkedIn, Facebook

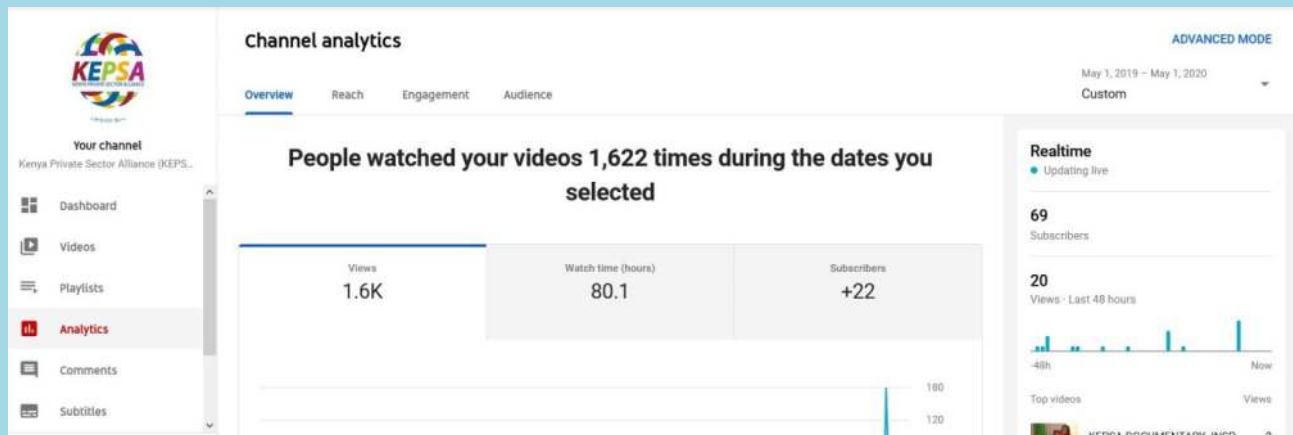


## Social Media Engagements

The visibility of KEPSA has greatly been enhanced through its online presence in the digital space, especially Twitter. Twitter following has exponentially increased from 29,061 followers as at May 2019 to 38,469 followers as at May 2020, an average 723 Followers per month.



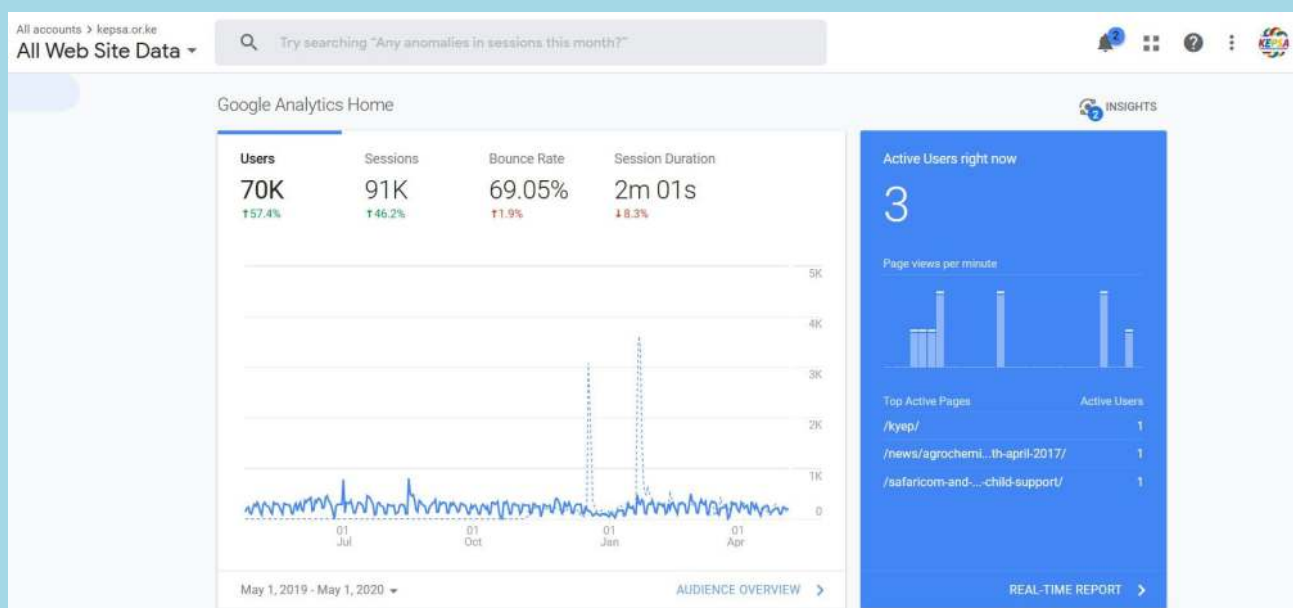
Engagements on the KEPSA YouTube channel were intensified registering a total of 1622 views from May 2019 to May 2020.



## KEPSA Website

The website is now more interactive making navigation or accessing information easier. The website also provides advertising opportunities.

A google analytic tool was installed to help measure number of hits on the website as well as find out what information is important to members and external stakeholders. Below are the hits for the period between May 2019 to May 2020.



# Financial Statements

FOR THE YEAR ENDED  
31ST DECEMBER



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# Company Information

## Directors

Nicholas Alexander Nesbitt - Chairman  
Rita Kavashe – Vice Chair  
Jeremy Edward Hannington Awori  
Brenda Mbathi  
Patricia E. Mwarania Ithau  
Florence Wanjiru Wahome  
Catherine Musakali  
Graham Neil Akeroyo Shaw  
Jaswinder Singh Bedi  
Michael Macharia Muthondu  
Allen Waiyaki Gichuhi  
Elizabeth Wala Amakove  
Francis Muli Munywoki  
Sachen Laxmikant Gudka\*  
Sun Mengxin\*\*

\*BRITISH \*\* CHINESE

## Secretary

Maonga Ndonge Associates  
Certified Public Secretaries  
3rd Floor, Jadala Place  
Ngong Road  
PO Box 7324 - 00200  
Nairobi, Kenya

## Auditor

PricewaterhouseCoopers LLP  
Certified Public Accountants  
PwC Towers, Waiyaki Way/  
Chiromo Road, Westlands  
PO Box 43963 – 00100  
Nairobi, Kenya

## Registered office

LR No. 209/8592/1  
5th Floor, Shelter Afrique Building  
Mamlaka Road  
PO Box 3556 - 00100  
Nairobi, Kenya

## Bankers

NCBA Bank Limited  
City Centre Company  
P.O. Box 44599 – 00100  
Nairobi, Kenya

KCB Bank Kenya Limited  
Kipande House Company  
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 31 December 2019, which disclose the state of affairs of Kenya Private Sector Alliance Limited (the "Company").

## Principal Activities

The Company seeks to bring together private sector companies 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 Company's turnover comprises of membership subscriptions, Public Private Dialogue (PPD) funds, project funds and other income such as bank interest and sponsorships. In 2019 turnover declined, mainly due to a decline in funding by partners for PPD activities. Some 3 projects ended in the course of 2019 having been ongoing from prior years and in their final year of implementation, they had a decreased funding. Further, for Private Public dialogue (PPD) activities it is worth noting that instead of receiving actual cash, some activities were funded by partners directly. As such, the Company was still on course with planned PPD activities (that are core) for the year, despite the dip in actual cash receipts.

The Company's expenditure includes; project activity costs, PPD activity costs and overheads of the Company. KEPSA being a membership Company means that its work is service oriented and thus people intensive and so its major costs go to people. In 2019 the Company, in a bid to manage costs, took the approach of holding a lot of its PPD activities at minimal cost by having these engagements at KEPSA offices and government premises which resulted in minimal costs. As a result, it managed to carry out all planned PPD activities for the year.

The general fund over the years has resulted from deficits/surplus that the Company has incurred. The surpluses cushion against the leaner years when revenues dip as currently experienced.

## Disclosures to auditor

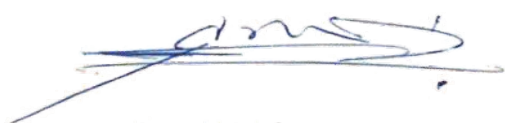
The directors confirm that with respect to each director at the time of approval of this report:

- (a) there was, as far as each director is aware, no relevant audit information of which the Company's auditor is unaware; and
- (b) each director had taken all steps that ought to have been taken as management 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 auditor

PricewaterhouseCoopers LLP was appointed during the year in accordance with the Company's Articles of Association and Section 719 of the Companies Act, 2015.

Signed

  
24 JUNE 2020

# Statement of Directors' Responsibilities

The directors are required to prepare financial statements for each financial year which give a true and fair view of the financial position of the Company as at the end of the financial year and its financial performance for the year then ended. The directors are responsible for ensuring that the Company keeps proper accounting records that are sufficient to show and explain the transactions of the Company; disclose with reasonable accuracy at any time the financial position of the Company; and that enables them to prepare financial statements of the Company that comply with prescribed financial reporting standards. They are also responsible for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

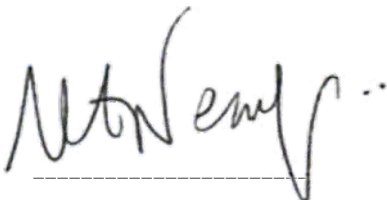
The directors accept responsibility for the preparation and presentation of these financial statements in accordance with International Financial Reporting Standards. They also accept responsibility for:

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

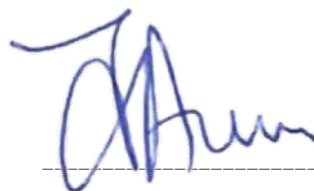
Having made an assessment of the Company's ability to continue as a going concern as set out in note 2(a), the directors are not aware of any material uncertainties related to events or conditions that may cast doubt upon the Company's ability to continue as a going concern.

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

Approved by the Board of Directors of Kenya Private Sector Alliance Limited on 24 JUNE 2020 and signed on its behalf by:



Director



Director

# Report of the Independent Auditor

## Report on the audit of the financial statements

### *Opinion*

We have audited the accompanying financial statements of Kenya Private Sector Alliance Limited ("the Company") set out on pages 77 - 100 which comprise the statement of financial position at 31 December 2019 and the statements of profit or loss and other comprehensive income, changes in fund balances and cash flows for the year then ended and the notes to the financial statements, which include a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2019, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of 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 other information comprises the Corporate Information, the Directors Report, and the Statement of Directors' Responsibilities which we obtained prior to the date of this auditor's report, and the rest of the other information in the Annual Report which are expected to be made available to us after that date, but does not include the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not and will 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 identified above 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 on the other information we have received prior to the date of this auditor's report 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.

When we read the rest of the other information in the Annual Report and we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.



# Report of the Independent Auditor

## ***Responsibilities of the directors for the financial statements***

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards 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 intends 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.

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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 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 our auditor's report.

# Report of the Independent Auditor

## *Auditor's responsibilities for the audit of the financial statements (contd)*

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 the directors 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 72 is consistent with the financial statements.



Certified Public Accountants  
Nairobi

21 July 2020

CPA Bernice Kimacia, Practising certificate No. 1457

Signing partner responsible for the independent audit

# Statement of profit or loss & other comprehensive income

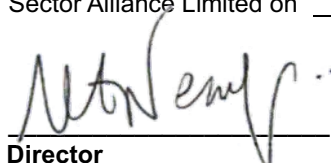
	Notes	General fund		Public Private Dialogue and projects fund		Total	
		2019	2018	2019	Restated 2018	2019	Restated 2018
		Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000
Public Private Dialogue and Project funds	5	-	-	77,797	103,950	77,797	103,950
Depreciation met through capital grants	12	1,025	5,922	-	-	1,025	5,922
Membership subscriptions	6	72,780	75,637	-	-	72,780	75,637
Other income	7	12,113	20,393	-	612	12,113	21,005
<b>Total income</b>		<b>85,918</b>	<b>101,952</b>	<b>77,797</b>	<b>104,562</b>	<b>163,715</b>	<b>206,514</b>
Administrative expenses	9	(90,629)	(91,095)	(17,793)	(19,732)	(108,422)	(110,827)
Establishment expenses	10	(11,054)	(9,759)	(750)	(5,397)	(11,804)	(15,156)
Public Private Dialogue and Project costs	11	(26,257)	(38,513)	(59,254)	(79,433)	(85,511)	(117,946)
Finance cost	8	(3,053)	-	-	-	(3,053)	-
<b>Total expenses</b>		<b>(130,993)</b>	<b>(139,367)</b>	<b>(77,797)</b>	<b>(104,562)</b>	<b>(208,790)</b>	<b>(243,929)</b>
<b>Deficit for the year</b>		<b>(45,074)</b>	<b>(37,415)</b>	<b>-</b>	<b>-</b>	<b>(45,075)</b>	<b>(37,415)</b>
Other comprehensive income, net of tax		-	-	-	-	-	-
<b>Total comprehensive income</b>		<b>(45,075)</b>	<b>(37,415)</b>	<b>-</b>	<b>-</b>	<b>(45,075)</b>	<b>(37,415)</b>

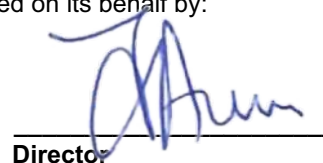


# Statement of Financial Position

	Note	2019 Shs'000	Restated 2018 Shs'000	Restated 2017 Shs'000
<b>FUND BALANCES</b>				
General fund		(50,212)	(5,137)	32,278
		-	-	-
<b>Non-current liabilities</b>				
Capital grant	12	2,647	1,801	7,541
Lease liability	20	8,472	-	-
		(39,093)	(3,336)	39,819
<b>REPRESENTED BY</b>				
Non-current assets				
Property and equipment	14	3,741	3,665	5,314
Right of use asset	17	20,230	-	-
Intangible asset	15	269	558	1,188
		24,240	4,223	6,502
<b>Current assets</b>				
Trade and other receivables	16	3,697	10,246	9,538
Financial assets at amortized cost		-	-	32,137
Cash at bank and in hand	18	4,521	43,297	66,019
		8,218	53,543	107,694
<b>Current liabilities</b>				
Trade and other payables	19	24,347	34,494	17,962
Deferred income	5	34,447	26,608	56,415
Lease liability	20	12,757	-	-
		71,551	61,102	74,377
<b>Net current assets</b>		(63,333)	(7,559)	33,317
		(39,093)	(3,336)	39,819

The financial statements on pages 77 to 100 were approved for issue by the Board of Directors of Kenya Private Sector Alliance Limited on 24 JUNE and signed on its behalf by:

  
Director

  
Director

# Statement of Changes in Fund Balances

	Notes	General fund  Shs'000	Public Private Dialogue and Projects Shs'000	Total  Shs'000
<b>Year ended 31 December 2018</b>				
At 1st January 2018 -as previously stated	21	32,278	54,371	86,649
Prior year adjustment		-	(54,371)	(54,371)
At 1st January 2018 –restated		32,278	-	32,278
Deficit for the year		(37,415)	-	(37,415)
At 31st December 2018		(5,137)	-	(5,137)
<b>Year ended 31 December 2019</b>				
At 1st January 2019 – as previously stated	21	(5,137)	25,258	20,121
Prior year adjustment		-	(25,258)	(25,258)
At 1st January 2019 –restated		(5,137)	-	(5,137)
Deficit for the year		(45,075)	-	(45,075)
At 31st December 2019		(50,212)	-	(50,212)

# Statement of Cash Flows

	Notes	2019 KSh	2018 KSh
<b>Cash flows from operating activities</b>			
Deficit for the year		(45,075)	(37,415)
Adjustments for:			
Depreciation of property and equipment	14	1,974	2,133
Amortization of intangible assets	15	328	728
Amortisation of Right-of-use asset	17	6,015	-
Interest income	7	(722)	(2,846)
Capital grant transfer to income statement	12	(1,025)	(5,922)
Assets write-off - property and equipment		-	(205)
Assets write-off - intangible assets		-	(34)
<i>Changes in operating assets and liabilities:</i>			
Trade and other receivables		6,549	(708)
Trade and other payables		(10,147)	16,532
Deferred revenue		7,839	(29,807)
Cash used in operations		(34,264)	(57,544)
Interest received	7	722	2,846
Interest expense	8	3,053	-
Net cash used in operating activities		(30,489)	(54,698)
<b>Cash flows from investing activities</b>			
Additions of property and equipment	14	(2,050)	(279)
Liquidation of financial assets at amortized cost		-	32,137
Additions of intangible asset	15	(39)	(64)
Net cash (utilized in)/ generated from investing activities		(2,089)	31,794
<b>Cash flows from financing activities</b>			
Additions of capital grant	12	1,871	182
Lease payments	20	(8,069)	-
Net cash generated from financing activities		(6,198)	182
Net decrease in cash and cash equivalents		(38,776)	(22,722)
Cash and cash equivalents at start of year		43,297	66,019
Cash and cash equivalents at end of year	18	4,521	43,297



## 1 General information

Kenya Private Sector Alliance Limited is a Company limited by Guarantee, incorporated in Kenya under the Companies Act 2015 (Cap. 486).

## 2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

### (a) Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The measurement basis applied is the historical cost basis, except where otherwise stated in the accounting policies below. The financial statements are presented in Kenya Shillings (Shs).

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires directors to exercise judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

### Going concern

The Company has posted a deficit for the year of Shs 45,074,000 (2018: Shs 37,415,000) while the fund balance at 31 December 2019 is negative Shs 50,212,000 (2018: negative Shs 5,137,000). The current liabilities also exceed current assets. These are indicators that the company may not be able to continue as a going concern and meet its obligations as and when they become due in the foreseeable future. In mitigation, management have considered the following:

1. The company currently has some multi-year contracts signed up for execution in the next financial year that are going to provide support for administrative costs to the tune of Shs 48.5 million
2. A portion of deferred income of Shs 34,447,000 at 31 December 2019 (2018: Shs 26,608,000) will provide support for administrative costs in the next financial year.
3. The Integrating Public-Private Sector Dialogue (PPD) for Trade and Investment in Kenya project has committed to directly finance two critical staff positions-thePPDManager/ Specialist and the Monitoring & Evaluation Manager
4. Management has already collected 37% of the budgeted funds for 2020 in the first quarter of 2020. Further, the budgeted revenue and activity level indicates that there will be a surplus at the end of 2020.
5. Business impact of Covid-19. The high-level stress test performed confirmed the Company has sufficient financial resources and capacity to withstand the possible economic shocks that may arise from the pandemic.

Based on the above, the directors are confident that the company will be able to meet its obligations as and when they become due and continue as a going concern at least for 12 months from the date of these financial statements. The financial statements have therefore been prepared on a going concern basis.

## 2 Summary of significant accounting policies (continued)

### Changes in accounting policy and disclosures

#### *(i) New and amended standards adopted by the Company*

Two new standards and a number of amendments to standards became effective for the first time in the financial year beginning 1st January 2019 and have been adopted by the Company. None of the amendments has had a significant effect on the Company's financial statements other than the following:

#### **IFRS 16, 'Leases';**

From 1<sup>st</sup> January 2019, to comply with IFRS16, Leases, which replaced IAS 17, Leases, the Company now recognises lease liabilities relating to leases under which the Company is the lessee that had previously been classified as operating leases (other than leases with less than 12 months to run from 1<sup>st</sup> January 2019 and leases of low value items). Such liabilities have been measured at 1<sup>st</sup> January 2019 at the present value of the remaining lease payments discounted using the Company's incremental borrowing rate as at 1<sup>st</sup> January 2019. Corresponding right-of-use assets have been recognised, measured as if the Company's new accounting policy had been applied since the commencement of each lease but discounted using the Company's incremental borrowing rates at 1<sup>st</sup> January 2019. The difference between the lease liabilities and right-of-use assets at 1 January 2019 was not material and has been adjusted for in the current financial year. As permitted by the transition provisions in the new Standard, comparative amounts have not been restated.

#### *(ii) New and revised standards that have been issued but are not yet effective*

The Company has not applied any new or revised standards and interpretations that have been published but are not yet effective for the year beginning 1st January 2019. None of these standards are expected to have a material impact on the financial statements once adopted.

### **(b) Foreign currency translation**

#### *(i) Functional and presentation currency*

On initial recognition, all transactions are recorded in the functional currency (the currency of the primary economic environment in which the entity operates), which is Kenya Shillings.

#### *(ii) Transactions and balances*

Foreign currency transactions are translated into the Functional Currency using the exchange rates prevailing at the dates of the transactions or valuations where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end translation are recognized on a net basis in the profit and loss account in the year in which they arise, except for differences arising on translation of non-monetary assets measured at fair value through other comprehensive income, which are recognized in other comprehensive income.

## 2 Summary of significant accounting policies (continued)

### (c) Revenue recognition

The organization recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the organization's activities as described below. The organization bases its estimates on historical results, taking into consideration the type of donor, the type of transaction and the specifics of each arrangement.

Revenue is recognized as follows:

#### (i) Donor/ grant income

Restricted income is recognized when expenditure is incurred and when grant conditions are fulfilled. Grant receivable represent the amount the organization claims from donors on expenses incurred and accounted for as per contractual agreements.

Grants received in advance are treated as deferred grants. They are credited to the income and expenditure statement when activities for which they are provided for have been undertaken.

Unrestricted income is recognized on receipt.

#### (ii) Subscription revenue

Income from membership annual subscriptions and joining fees are recognized on an accrual basis when the right to receive the subscriptions is established. Prepaid membership fees are carried as a liability in the period in which such fees are received.

### (d) Other income

Income received from Sponsorship for events held by KEPSA is recognized when received and utilized for the event for which it was donated. Interest income is recognized using the effective interest method

### (e) Capital grants

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

### (f) 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.



## 2 Summary of significant accounting policies (continued)

### (g) Leases

Leases under which the Company is the lessee

On the commencement date of each lease (excluding leases with a term, on commencement, of 12 months or less and leases for which the underlying asset is of low value) the Company recognises a right-of-use asset and a lease liability.

The lease liability is measured at the present value of the lease payments that are not paid on that date. The lease payments include fixed payments, variable payments that depend on an index or a rate, amounts expected to be payable under residual value guarantees, and the exercise price of a purchase option if the Company is reasonably certain to exercise that option. The lease payments are discounted at the interest rate implicit in the lease. If that rate cannot be readily determined, the Company's incremental borrowing rate is used.

The right-of-use asset is initially measured at cost comprising the initial measurement of the lease liability, any lease payments made on or before the commencement date, any initial direct costs incurred, and an estimate of the costs of restoring the underlying asset to the condition required under the terms of the lease.

Subsequently, the lease liability is measured at amortised cost subject to remeasurement to reflect any reassessment, lease modifications, or revised fixed lease payments.

### (h) Property and equipment

All categories of property and equipment are initially measured at cost and subsequently carried at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of replacing component of an item of property or equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property and equipment are recognised in the profit or loss as incurred.

Depreciation is recognised in statement of profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property and equipment.

The estimated useful lives for the current and comparative periods is as follows:

Furniture fittings and Equipment	12.5%
Computers, Copiers and faxes	33.3%
Intangible assets	20%

Depreciation methods, assets residual values and useful lives are reviewed and adjusted if appropriate, at each reporting period.

Any gain or loss on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in profit or loss in the year the item is de-recognised.

## 2 Summary of significant accounting policies (continued)

### (i) Financial instruments

Financial instruments include balances with banks, other receivables and trade and other payables.

#### (i) Recognition

A financial instrument is a contract that gives rise to both a financial asset of one enterprise and a financial liability of another enterprise. The Company recognises loans and receivables on the date when they are originated. These assets are initially recognised at fair value plus any directly attributable transaction cost.

Subsequent to initial recognition, they are measured at amortised cost using the effective interest method. All other financial instruments are recognized on the trade date which is the date on which the Company becomes party to the contractual provisions of the instrument.

#### (ii) Classification

The Company classifies its non-derivative financial assets into loans and receivables while non-derivative financial liabilities are classified into other financial liability category. Management determines the appropriate classification of its financial instruments at the time of purchase and re-evaluates its portfolio on a regular basis to ensure that all financial assets are appropriately classified.

##### *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market other than those that the Company intends to sell in the short-term or that it has designated as at fair value through profit or loss or available for sale. Loans and receivables comprise trade and other receivables, cash and bank balances and balances due from related parties. These are measured at amortized cost using the effective interest method, less any impairment losses.

##### *Other financial liabilities*

Other financial liabilities are initially recognised at fair value less any directly attributable transactions costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using effective interest method. Other financial liabilities comprise trade and other payables and amounts due to group companies.

#### (iii) Derecognition

Financial asset is derecognised when the Company loses control over the contractual rights that comprise that asset. This occurs when the rights are realised, expire or are surrendered. A financial liability is derecognised when it is extinguished, cancelled or expires. The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers substantially all the risks and rewards of ownership of the financial asset.

#### (iv) Measurement

Fair value of financial assets and financial liabilities is the price that would be received to sell an asset or paid to transfer a liability respectively in an orderly transaction between market participants at the measurement date.

## 2 Summary of significant accounting policies (continued)

### (i) Financial instruments (continued)

#### (v) Impairment

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost the reversal is recognised in profit or loss.

#### (vi) *Offsetting of financial assets and financial liabilities*

Financial assets and financial liabilities are offset and the net amount reported on the statement of financial position when there is a legally enforceable right to off-set the recognised amount and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

### (j) Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand and bank balances.

### (k) Comparatives

Where necessary, comparative numbers have been adjusted or restated to conform to changes in presentation in the current year or correct prior period errors. Narrative disclosures have been included in the respective notes.

## 3 Critical accounting estimates and judgements

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

## 4 Financial risk management objectives and policies

The Company has exposure to the following risks from its use of financial instruments:

- (i) Credit risk
- (ii) Liquidity risk
- (iii) Market risk
- (iv) Capital risk management

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and procedures for measuring and managing risk, and the Company's management of capital. Further, quantitative disclosures are included throughout these financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The CEO oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

### *(i) Credit risk*

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk mainly arises from financial assets and is managed on a company-wide basis.

Credit risk on financial assets with banking institutions is managed by dealing with institutions with good credit ratings and placing limits on deposits that can be held with each institution. The Company carries out its own assessment of credit risk before investing in corporate bonds and updates such assessments at each reporting date.

Credit risk on trade receivables is managed by ensuring that credit is extended to customers with an established credit history. The credit history is determined by taking into account the financial position, past experience and other relevant factors. Credit is managed by setting a credit limit and credit period for each customer. The utilisation of the credit limits and the credit period is monitored by management on a monthly basis.

In assessing whether the credit risk on a financial asset has increased significantly, the Company compares the risk of default occurring on the financial asset as at the reporting date with the risk of default occurring on that financial asset as at the date of initial recognition. In doing so, the Company considers reasonable and supportable information that is indicative of significant increases in credit risk since initial recognition and that is available without undue cost or effort. There is a rebuttable assumption that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due.



## 4 Financial risk management objectives and policies (continued)

### (i) Credit risk (continued)

For this purpose, default is defined as having occurred if the debtor is in breach of contractual obligations, or if information is available internally or externally that suggests that the debtor is unlikely to be able to meet its obligations. However, there is a rebuttable assumption that default does not occur later than when a financial asset is 90 days past due.

If the Company does not have reasonable and supportable information to identify significant increases in credit risk and/or to measure lifetime credit losses when there has been a significant increase in credit risk on an individual instrument basis, lifetime expected credit losses are recognised on a collective basis. For such purposes, the Company groups financial assets on the basis of shared credit risk characteristics, such as:

- type of instrument
- industry in which the debtor operates
- nature of collateral.

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit impaired include observable data about the following events:

- significant financial difficulty of the debtor
- a breach of contract
- it is probable that the debtor will enter bankruptcy
- the disappearance of an active market for the financial asset because of financial difficulties.

The carrying amount of the financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2019 Shs '000	2018 Shs '000
Trade and other receivables	3,697	10,246

## 4 Financial risk management objectives and policies (continued)

### (i) Credit risk (continued)

The aging of gross trade receivables at the reporting date was:

<b>2019</b>	<b>Gross balance Shs '000</b>	<b>Impairment provision Shs '000</b>	<b>Net balance Shs '000</b>
Current	-	-	-
Past due 0 – 30 days	175	-	175
Past due 31 – 90 days	534	-	534
	709	-	709
<b>2018</b>	<b>Gross balance Shs '000</b>	<b>Impairment provision Shs '000</b>	<b>Net balance Shs '000</b>
Current	-	-	-
Past due 0 – 30 days	-	-	-
Past due 31 – 90 days	325	-	325
	325	-	325

There was no material expected credit loss exposure in 2019 (2018: Nil).

## 4 Financial risk management objectives and policies (continued)

### (ii) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Typically, the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

Prudent liquidity management includes maintaining sufficient cash balances, and the availability of funding from an adequate amount of committed credit facilities.

Management monitors rolling forecasts of the Company's liquidity reserve on the basis of expected cash flow.

The table below analyses financial liabilities into relevant maturities based on the remaining period at 31 December 2019 and 31 December 2018:

	Up to 12 months	Over 1 year	Total
	Shs '000	Shs '000	Shs '000
<b>2019</b>			
Trade and other payables	24,347	-	24,347
Lease liability	12,757	8,472	21,229
	37,104	8,472	45,576
<b>2018</b>			
Trade and other payables	34,494	-	34,494

## 4 Financial risk management objectives and policies (continued)

### *(iii) Market risk*

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

### *(a) Foreign exchange risk*

Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities. The Company's functional currency is Kenya Shillings. Foreign exchange risk is therefore restricted to transactions and balances in USD.

There was no significant exposure to foreign exchange risk at 31 December 2019 (2018: Nil)

### *(b) Interest rate risk*

The Company does not have significant exposure to interest rate risk.

### *(c) Fair value estimation*

The Company does not hold any financial instrument subject to fair value estimation.

### *(iv) Capital risk management*

The Company is a membership organization. The directors place emphasis on proper planning during the annual budget preparation process, cash flow monitoring and monthly tracking against budget to ensure the organization continues to meet its objectives.



## 5 Public Private Dialogue and Project Funds

The Company's revenue mainly comprises membership subscriptions and Public Private Dialogue (PPD)/project funds. In 2019, there was a decrease in the income received from the Ajira project and Sustainable Inclusive business projects that both ended in the month of May 2019. During the year however, there was new funding for the Business Hub, the SME policy index and NBA III as well as a 3-year project on "Integrating Public-Private Sector Dialogue (PPD) for Trade and Investment in Kenya".

The expenditure met by the Company is made up of administration/operating costs and PPD/project costs. The PPD/projects expenditures went down mainly due to the ending of the two projects mentioned above as well as a number of projects that were active in 2018 that did not continue into 2019/ slowed down in 2019 such as "Improving Business Environment to Deepen Trade and Investment for the Kenyan Private Sector"- spent 24M in 2018 and 0 in 2019 and the "Multi sectoral initiative"- spent 10M in 2018 and 1.5M in 2019. In the year 2019 the company spent Shs 26,257,243 (2018: 38,513,715) to fund PPD activities from the general fund (as shown on the Income statement).

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

## 5 Public Private Dialogue and Project Funds (continued)

	Deferred revenue at 1 Jan 2019 (restated) Shs '000	Received during the year Shs '000	Earned during the year Shs '000	Deferred revenue at 31 Dec 2019 Shs '000
<b>KEPSA Public Private Dialogue Funds</b>				
Enhancing Private Sector Participation in Government Reform	930	363	(1,292)	1
Institutional Strengthening and Policy Support Programme	409	-	-	409
Promoting Sustainable Consumption and Production Practices and Eco- entrepreneurship	4,642	(2,553)	(2,554)	(465)
Improving Business Environment to Deepen Trade and Investment for the Kenyan Private Sector	-	-	-	-
SME Policy Index Study, Presidential Round Table on NBA II and County Own Revenue Policy and Tax Bill	-	19,261	(14,121)	5,140
Improving Business Environment and Market Access to Enhance Kenyan Trade	117	20,925	(9,614)	11,428
Business Sector Programme Support	306	-	-	306
Business Hub	-	11,343	(7,016)	4,327
Countering Violent Extremism (CVE) on the Private Sector	2,197	4,252	(3,000)	3,449
<b>KEPSA Foundation Projects</b>				
Support for Better Business Practises for Children	95	11,558	(10,134)	1,519
Mkenya Daima Project	716	-	(251)	465
Ajira Digital Project	12,439	(114)	(11,364)	961
Supporting Sustainable and Inclusive Business (SIBs) Sustainability Strategy 2017-2018	2,622	15,874	(12,141)	6,355
Kilimani Police Station Redevelopment Project	104	422	-	526
Multi-Sectoral Initiative Against Corruption	1,219	569	(2,210)	(422)
Kijani Movement	812	-	(173)	639
Women - In Business	-	3,686	(3,925)	(239)
Lay Your Brick	-	50	(2)	48
	26,608	85,636	(77,797)	34,447

## 5 Public Private Dialogue and Project Funds (continued)

	Deferred revenue at 1 Jan 2018 (restated) Shs '000	Received during the year Shs '000	Utilised during the year Shs '000	Receivable Shs '000	Deferred income at 31 Dec 2018 Shs '000
<b>KEPSA Public Private Dialogue Funds</b>					
Enhancing Private Sector Participation in Government Reform	35	1,900	(1,005)	-	930
Institutional Strengthening and Policy Support Programme	5,734	(5,475)	150	-	409
Promoting Sustainable Consumption and Production Practices and Eco-entrepreneurship	9,627	(1,438)	(3,547)	-	4,642
Improving Business Environment to Deepen Trade and Investment for the Kenyan Private Sector	-	22,291	(22,291)	-	-
SME Policy Index Study, Presidential Round Table on NBA II and County Own Revenue Policy and Tax Bill	4,133	1,506	(6,989)	1,350	-
Improving Business Environment and Market Access to Enhance Kenyan Trade	117	-	-	-	117
Business Sector Programme Support	395	(89)	-	-	306
Countering Violent Extremism (CVE) on the Private Sector	-	3,276	(1,079)	-	2,197
<b>KEPSA Foundation Projects</b>					
Support for Better Business Practises for Children	3,748	9,084	(12,737)	-	95
Mkenya Daima Project	1,974	-	(1,258)	-	716
Ajira Digital Project	23,218	15,662	(26,441)	-	12,439
Supporting Sustainable and Inclusive Business (SIBs) Sustainability Strategy 2017-2018	7,330	13,876	(18,584)	-	2,622
Kilimani Police Station Redevelopment Project	104	-	-	-	104
Multi-Sectoral Initiative Against Corruption	-	12,000	(10,781)	-	1,219
Kijani Movement	-	812	-	-	812
	56,415	73,405	(104,562)	1,350	26,608

## 6 Membership subscriptions

Membership subscriptions

## 7 Other income

Bank interest

Events

Gain on disposal of assets

Net foreign exchange loss

## 8 Finance cost

Finance cost on lease

## 9 Administrative expenses

### Employment:

Salaries and wages

Directors' remuneration\*

NSSF

Staff development

Staff provident fund

Staff medical

Staff welfare & team building

Staff transport

### Other administrative expenses:

Telephone, fax and postage

Parking

Internet and website

Printing, stationery and office supplies

Audit fees

Legal fees

Office equipment and furniture maintenance

Legal and professional fees

Office cleaning

Bank charges

Events and other meetings

Bad debts written off

Total administrative expenses

	2019 Shs '000	2018 Shs '000
Membership subscriptions	72,780	75,637
Other income		
Bank interest	722	2,846
Events	11,460	18,741
Gain on disposal of assets	-	-
Net foreign exchange loss	(69)	(582)
	12,113	21,005
Finance cost		
Finance cost on lease	(3,053)	-
Administrative expenses		
Employment:		
Salaries and wages	84,969	88,184
Directors' remuneration*	-	-
NSSF	456	464
Staff development	772	347
Staff provident fund	5,291	5,069
Staff medical	6,176	5,281
Staff welfare & team building	2,177	1,197
Staff transport	317	690
	100,158	101,232
Other administrative expenses:		
Telephone, fax and postage	270	377
Parking	946	554
Internet and website	2,014	1,250
Printing, stationery and office supplies	990	755
Audit fees	961	580
Legal fees	501	-
Office equipment and furniture maintenance	888	695
Legal and professional fees	215	139
Office cleaning	49	5
Bank charges	346	305
Events and other meetings	1,084	1,474
Bad debts written off	-	3,461
	8,264	9,595
Total administrative expenses	108,422	110,827



## 10 Establishment expenses

	2019 Shs '000	2018 Shs '000
Rent and rates	2,036	9,407
Insurance	165	278
Subscriptions	123	1,349
Licences	45	50
Repairs and maintenance	1,118	1,451
Assets written off	-	(240)
Depreciation of property and equipment	1,974	2,133
Amortization of intangible assets	328	728
Interest on lease	6,015	-
	11,804	15,156

## 11 Public Private Dialogue and Project Costs

Public Private Dialogue meetings	31,107	41,961
Research and consultancy	36,249	16,671
Transport	1,304	482
	68,660	59,114
Expenditure under KEPSA Foundation Projects		
Mkenya Daima Project	-	1,252
Support for better business practises for children	2,661	8,109
AJIIRA Digital Project	6,905	24,880
Supporting Sustainable and Inclusive Business	1,295	14,986
Multi-Sectoral Initiative Against Corruption	1,903	9,605
Kijani Movement	167	-
Women -In Business	3,920	-
	16,851	58,832
	85,511	117,946

In the period reported some PPD meetings as shown below were funded through direct payments to facilities by our partners. On known costs of the events KEPSA saved 5.6M that would have otherwise been included in the PPD meetings expenditure above.

## 11 Public Private Dialogue and Project Costs (continued)

Events sponsored via direct payment to suppliers by partners

No.	Event	Date of event	Venue	Total cost of activity Shs'000	Amount paid directly Shs'000	Name of sponsor
1	Supplier diversity conference	29 May 2019	Intercontinental Hotel Nairobi	888	350	Johnson & Johnson
2	KEPSA leaders' induction retreat- included the sensitization sessions for the leaders on the circular economy, Ajira digital project and	23 – 25 May 2019	Mt Kenya Safari Club, Nanyuki	4,047	3,195	Danida- through Ministry of Environment
3	KEPSA Board and Governing Council training on Advocacy	28 – 30 July 2019	Panafric Hotel	250	250	Business Advocacy Fund
4	Senate Speaker' Roundtable	7 – 9 November 2019	Naivasha	6,354	1,588	International Finance Corporation
5	Agriculture Summit	1 December 2019	Safaripark Hotel	450	238	Business Advocacy Fund
6	Private Sector & Government Roundtable	1 November 2019	Kenya School of Government	Not disclosed	Full	
7	Kenya's 2020 Budget cocktail	17 June 2019	Kempinski, Nairobi	Not disclosed	Full	KPMG
8	Legislative summit	14 – 18 June 2019	Kisumu	Not disclosed	Full	County Assembly Forum (CAF)

## 12 Capital grant

At start of the year  
Additions: Property and equipment  
Less: Depreciation for the year

At end of year

2019 Shs '000	2018 Shs '000
1,801	7,541
1,871	182
(1,025)	(5,922)
2,647	1,801

## 13 Taxation

No provision has been made for taxation. Section 21 of the Income Tax Act stipulates that a trade association may elect, by notice in writing to the Commissioner, in respect of a year of income to be deemed to carry on a business charged to tax, whereupon its gross receipts on revenue account from transactions with its members (including entrance fees and annual subscriptions) and with other persons shall be deemed to be income from business for that and succeeding years of income.

## 14 Property and equipment

	<b>Furniture, fittings &amp; equipment</b>	<b>Computers, copiers &amp; faxes</b>	<b>Total</b>
	<b>Shs '000</b>	<b>Shs '000</b>	<b>Shs '000</b>
<b>Cost</b>			
At start of year	16,697	7,514	24,211
Additions	832	1,218	2,050
At end of year	17,529	8,732	26,261
<b>Accumulated depreciation</b>			
At start of year	13,482	7,064	20,546
Depreciation charge for the year	1,591	383	1,974
At end of year	15,073	7,447	22,520
<b>Carrying amount</b>			
At start of year	3,215	450	3,665
At end of year	2,456	1,285	3,741

## 15 Intangible assets - software

	<b>2019 Shs'000</b>	<b>2018 Shs'000</b>
<b>Cost</b>		
At start of year	7,192	7,226
Additions	39	64
Asset write-off -		(98)
At end of year	7,231	7,192
<b>Accumulated amortization</b>		
At start of year 6,634		6,038
Amortization charge for the year	328	728
Accumulated amortization on asset write-off -		(132)
At end of year 6,962		6,634
<b>Carrying amount</b>		
At start of year	558	1,188
At end of year	269	558

<b>16. Trade and other receivables</b>	<b>2019 Shs'000</b>	<b>2018 Shs'000</b>
Membership fees receivable	709	325
Other receivables	1,161	5,997
Rent deposit	1,104	1,104
Prepayments	723	2,820
	<b>3,697</b>	<b>10,246</b>
<b>17 Right of use asset</b>		
At 1 January 2019	-	-
On adoption of IFRS 16	26,245	-
Depreciation	(6,015)	-
	<b>20,230</b>	<b>-</b>
<b>18 Cash and cash equivalents</b>		
Cash at bank	4,520	43,284
Cash in hand	1	13
	<b>4,521</b>	<b>43,297</b>
<b>19. Trade and other payables</b>		
Trade payables	12,675	9,070
Prepaid membership fees	10,200	10,256
Advance project receipts	-	14,138
Other payables	1,472	1,030
	<b>24,347</b>	<b>34,494</b>
<b>20 Lease liability</b>		
As at 1 January 2019	-	-
On adoption of IFRS 16	26,245	-
Interest for the period	3,053	-
Lease payments in the period	(8,069)	-
	<b>21,229</b>	<b>-</b>
Non-current lease liability	8,472	-
Current lease liability	12,757	-



## 21 Prior period adjustment

The Company has contracts for public private dialogue and project funds with various donors. The prior period adjustment relates to restatement of revenue which was not being recognized in line with IFRS 15 'Revenue from contracts with customers' which requires that revenue is recognized upon performance of a contractual obligation. Previously, the Company recognised such funds from partners as revenue in full upon receipt.

The effect of the restatement on the previously reported **statement of financial position and statement of profit or loss and other comprehensive income** for the year ended 31 December 2019 is as follows;

	<b>Deferred income</b> <b>Shs'000</b>	<b>Receivable</b> <b>Shs'000</b>	<b>Fund balances</b> <b>Shs'000</b>	<b>PD Revenue</b> <b>Shs'000</b>
1 January 2018 - as previously reported	-	7,494	86,649	-
Prior period adjustment:				
-to recognize deferred income	(56,415)	2,044	(54,371)	-
<b>1 Jan 2018 Restated</b>	<b>(56,415)</b>	<b>9,538</b>	<b>32,278</b>	<b>-</b>

	<b>Deferred income</b> <b>Shs'000</b>	<b>Receivable</b> <b>Shs'000</b>	<b>Fund balances</b> <b>Shs'000</b>	<b>PD Revenue</b> <b>Shs'000</b>
1 January 2019 -as previously reported	-	8,896	20,121	74,837
Prior period adjustment				
-to recognise deferred income	(26,608)	1,350	(25,258)	-
-deferred revenue adjustment	-	-	-	29,113
<b>Restated</b>	<b>(26,608)</b>	<b>10,246</b>	<b>(5,137)</b>	<b>103,950</b>

## 22 Commitments (continued)

There were no capital commitments at 31 December 2019 (2018: Nil)

## 23 Contingent liabilities

There were no contingent liabilities at 31 December 2019 (2018: Nil)

# KEPSA Members 2019-2020

1	Abraham Energy Limited	33	Bata Shoe Kenya PLC	65	Clean Cookstoves Association of Kenya
2	Actis Africa Limited	34	Bayer East Africa	66	CMC Motors Group Limited
3	Africa Digital Media Institute	35	Bechtel-BNT Construction & Engineering Kenya Limited	67	Coca Cola East & Central Africa
4	Africa Practice East Africa Limited	36	Bedi Investments	68	Control Risks East Africa Limited
5	Agri Experience	37	Beyond Borders Limited	69	Cooper-K Brand Limited
6	Agricultural Council of Kenya	38	Bidco Africa Limited	70	Copia Kenya
7	Agricultural Employers' Association	39	Biogas Holdings E.A. Limited	71	CPF Group
8	Agriculture Sector Network	40	Biznegize Limited	72	Craft Barrels Limited
9	Agrochemicals Association of Kenya	41	Blackberry House Limited	73	Crafts With Meaning Limited
10	AIG Kenya Limited	42	Blue Nile Rolling Mills Limited	74	Creative Society of Kenya
11	Akiira Geothermal Limited	43	Blue Sparkles Services Limited	75	Crestwood Marketing & Communications
12	All Stars Mtumba Kenya Limited	44	BOC Kenya PLC	76	Dalberg Global Development Advisors
13	Alternatives Africa Limited	45	Bollore Transport & Logistics (K) Limited	77	Dallas Technoprisers
14	American Chamber of Commerce of Kenya	46	Boston Consulting Group	78	Danco Capital Limited
15	Apec Consortium Limited	47	Brands and Beyond Limited	79	Davis & Shirtliff Limited
16	APT Commodities Limited	48	Bridge International Academies Limited	80	Davmac International Limited
17	Ardhi Lords Real Estate	49	Bridgenet Global Consulting Limited	81	Delegation of German Industry and Commerce of Kenya
18	ASAL Frontiers Limited	50	Bright Vision Media Limited	82	Deloitte Limited
19	Associated Battery Manufacturers (E.A) Limited	51	Brightermonday.com Limited	83	Dessra Ventures Limited
20	Association of Consulting Engineers of Kenya	52	British American Tobacco Plc	84	DHL Worldwide Express Kenya
21	Association of Gaming Operators - Kenya	53	British Chambers of Commerce Kenya	85	Dial A Home
22	Association of Kenya Feed Manufacturers	54	Brookside Dairy Limited	86	Digital Lenders Association
23	Association of Kenya Insurers	55	Car Importers Association of Kenya	87	Dik Dik Property Limited
24	Association of Practitioners in Advertising	56	Carepay Limited	88	Domain Registrars Association of Kenya
25	Astral Aviation Limited	57	Cekeha Enterprises Limited	89	Dorfkem Limited
26	ATC Kenya Operations Limited	58	Centum Investment Company Limited	90	Dorion Associates
27	Aviation & General Security Consultants Limited	59	Cerberrus Engineering Limited	91	Doshi & Company (Hardware) Ltd
28	B. Braun Medical (K) Limited	60	Cetros Company Limited	92	Dow Chemicals East Africa Limited
29	B2B Africa Limited	61	Chandaria Group	93	East Africa Petroleum Transporters Association
30	Bamburi Cement Limited	62	Chartered Institute of Arbitrators (Kenya Branch)	94	East Africa Private Equity & Venture Capital Association
31	Base Titanium Limited	63	Chawang Engineering Enterprises Limited	95	East African Breweries Limited
32	BASF East Africa Limited	64	Citibank N.A	96	East African Tea Trade Association

# KEPSA Members 2019-2020

97	Easy Duka Limited	129	GeoNet Communications Limited	161	Jamii Telecommunications Limited
98	E-Cart Services Limited (Jumia Ltd)	130	Global Forensic Services Limited	162	Jeo Advocates
99	Ecobank Kenya Limited	131	Globeleq Kenya Limited	163	Jijenge Credit Limited
100	Elecster Kenya Limited	132	Go Gaga Experiential Co. Limited	164	Jooqwah Limited
101	Electronic Cargo Tracking Sysms Providers Association of Kenya	133	Godel Limited	165	KaziRemote Limited
102	Elgon Kenya Limited	134	Good Testimony Junior School Limited	166	Kengas Logistics Limited
103	Emerging Leaders Foundation	135	Google Kenya Limited	167	Kenya Association of Air Operators
104	Empire Feeds Limited	136	Governance Solutions Center Limited	168	Kenya Association of Independent International Schools
105	Enel Green Power Kenya Limited	137	Grain Industries Limited	169	Kenya Association of Manufacturers
106	Engie Eastern Africa Limited	138	Grant Thornton Management Limited	170	Kenya Association of Pharmaceutical Industry
107	English Press Limited	139	Guardnow Security Group (K) Limited	171	Kenya Association of Travel Agents
108	Environment Institute of Kenya	140	Healthy U Two Thousand Limited	172	Kenya Association of Women in Tourism
109	Eselle Group	141	Hirsi & Harrods Limited	173	Kenya Auto Bazaar Association
110	Esri Eastern Africa Limited	142	Hospitality Systems Consultants Limited	174	Kenya Bankers Association
111	Event Managers Association of Kenya	143	Huawei Technologies (Kenya)-2020 Membership	175	Kenya Forex & Remittance Association
112	Expertise Global Consulting Limited	144	Human Capital Synergies Africa (HCS) Limited	176	Kenya Healthcare Federation
113	Express Communications Limited	145	IBL International Limited	177	Kenya Institute of Planners
114	Fairmont Hotels and Resorts Kenya	146	IBM East Africa	178	Kenya Kazi Services Limited
115	FAPCL Limited	147	Iden Enterprises Limited	179	Kenya Markets Trust
116	Farm Africa	148	Ignite Trade Africa Limited	180	Kenya Motor Industry Association
117	Federation of Kenya Employers	149	Infinity Development Limited	181	Kenya Oil & Gas Association
118	Flamingo Horticulture Kenya Limited	150	Institute of Certified Public Accountants of Kenya	182	Kenya Pipeline Company Limited
119	Freight Forwarders Kenya Limited	151	Institute of Certified Secretaries	183	Kenya Power & Lighting Company
120	Frontier Investment Management Africa Limited	152	Institute of International Auditors	184	Kenya Private Schools Association
121	Fushia Kenya Limited	153	Institution of Engineers of Kenya	185	Kenya Property Developers Association
122	Fusion Capital Limited	154	Institution of Surveyors of Kenya	186	Kenya Renewable Energy Association
123	G4S Kenya Limited	155	Intercity Secure Homes Limited	187	Kenya Security Industry Association
124	Gambi International Limited	156	International Chamber of Commerce-Kenya	188	Kenya Ships Agents Association
125	Gateway Clean Energy (Africa) Limited	157	International Relations Society of Kenya	189	Kenya Tea Growers Association
126	GE East Africa Services Limited	158	Internet Solutions Kenya Limited	190	Kenya Tea Packers Limited
127	Genie Telkom	159	Ipsos Limited	191	Kenya Tourism Federation
128	Gennis Consulting Limited	160	Isuzu East Africa	192	Kenya Transporters Associations

# KEPSA Members 2019-2020

193	Kenya Wine Agencies Limited	225	Microsoft East and Southern Africa	257	Panafrican Equipment (Kenya) Limited
194	Kenya Women Teachers Association	226	Millennial Speak	258	Paytree Group Limited
195	Kilimall International	227	Miriam Kanya & Associates	259	Pearltek Kenya Limited
196	Kiptinness & Odhiambo Associates	228	MK Light Africa Right Limited	260	Petroleum Institute of East Africa
197	Koko Networks	229	Mobisoko Solutions Limited	261	Pharmaceutical Society of Kenya
198	Konza Technopolis Development	230	Msingi East Africa Limited	262	Philafe Engineering Limited
199	KPMG Kenya	231	Mtenders Africa Limited	263	PKF Kenya
200	KTDA Management Services Limited	232	Muhoya-Tetu Limited	264	Planon Solutions Limited
201	KUSCCO Limited	233	Mukiri Global Advocates	265	POA Internet Kenya Limited
202	Lactacare Kenya Limited	234	MW & Company Advocates LLP	266	Polish Investment & Trade Agency - Nairobi Office
203	Law Society of Kenya	235	Mycredit Limited	267	Polucon Services (K) Limited
204	Leasing Association of Kenya	236	Nairobi Inland Cargo Terminal	268	PricewaterhouseCoopers Limited
205	Liaison Group (I.B) Limited	237	Nairobi Institute of Technology	269	Primavera Farms Limited
206	Lineplast Group Limited	238	Nairobi Securities Exchange	270	Protective Security Industry Association
207	Liquid Telecommunication Kenya	239	NCBA Bank Kenya Plc	271	PTG Travel Limited
208	Longitude Finance	240	Nemsi Holdings Limited	272	Public Relations Society of Kenya
209	Ludique Works	241	Nouveta Limited	273	Raino Tech4impact Limited
210	Lued Chemicals Limited	242	Oakar Services Limited	274	Redhouse Group Limited
211	Lukenya High School Limited	243	OBG Company Limited	275	Rentco East Africa Limited
212	Mabati Rolling Mills Limited	244	OCP Kenya Limited	276	RentWorks East Africa Limited
213	Madison Group Limited	245	OCS (Ojiambo Consulting Services)	277	Resolution Health Limited
214	Maersk Kenya Limited	246	Ogilvy Public Relations	278	Retail Trade Association of Kenya
215	Maflava International-	247	Ogutu & Associates Advocates	279	Riara Group of Schools
216	Maramoja Transport Limited	248	Oil and Gas Contractors Association	280	Rift Valley Institute of Business Studies
217	Marketing & Social Research Association	249	One Acre Fund	281	Roads & Civil Engineering Contractors Association
218	Mars Wrigley Confectionery Kenya Ltd	250	Online Professional Workers Association of Kenya	282	Royal Floral Holland Kenya Ltd
219	Marubeni Corporation	251	Optiven Limited	283	RSM Eastern Africa LLP
220	Mckinsey & Company	252	Oracle Corporation	284	RWK & Associates CPA (K)
221	Meat & Livestock Exporters Industry Council	253	Organization of Women in International Trade (Nairobi Chapter)	285	Safaricom Limited
222	Mega Garments Industries Kena (IPZ) Limited	254	Osho Chemical Industries Limited	286	Savannah Cement Limited
223	Melvin Marsh International Limited	255	P&G Distribution East Africa Limited	287	Sayani Investments Limited
224	Microcity (K) Limited	256	P. Kamau & Kamau Advocates LLP	288	Scania East Africa Limited



# KEPSA Members 2019-2020

289	Schneider Electric (K) Limited	320	The Architectural Association of Kenya
290	Seed Trade Association of Kenya	321	The Karen Hospital Limited
291	Senaca East Africa Limited	322	The Kenya Flower Council
292	Sensei Institute of Technology	323	The Nairobi Hospital
293	Seven Seas Technologies Limited	324	The Standard Group Limited
294	SGS Kenya Limited	325	Town and County Planners Association of Kenya
295	Shammah International Agency Limited	326	Trade Link Association of Kenya
296	Sheth Naturals Limited	327	Tullow Kenya B.V
297	Shopping Centres Association of Kenya	328	Turea Limited/Dr. Mattress
298	Simba Corporation Limited	329	Twiga Chemical Industries Limited
299	SLO Industrial and Projects Limited	330	Twiga Foods Limited
300	SME Founders Association	331	UAP Old Mutual Group
301	Snetor East Africa Limited	332	UBA Kenya Bank Limited
302	Society of Crop Agribusiness Advisors of Kenya	333	Uber Kenya Limited
303	Solidaridad Eastern and Central Africa Expertise Centre	334	Ultravetis E.A. Limited
304	Soni Technical Services Limited	335	United Business Association
305	SOWITEC Kenya Limited	336	VAS Consulting Limited
306	Space and Style Limited	337	Vegemark Limited
307	Spart Freight Logistics Limited	338	Vehicle & Equipment Leasing Limited
308	Springyield Services Limited	339	Victory Farms
309	Stanbic Bank	340	VISA CEMEA Holdings Limited
310	Standard Chartered Bank Kenya Limited	341	VitalRay Health Solutions
311	Starture Enterprises	342	Viva Africa Consulting LLP
312	Sunculture Kenya Limited	343	Vivo Energy Kenya Limited
313	Synergy Industrial Credit Ltd.	344	Waste Electrical and Electronic Equipment Centre
314	Tata Chemicals Magadi	345	Wells Fargo Limited
315	Taxify Kenya Limited	346	Wellwise Healthcare Solutions Ltd.
316	Technology Service Providers of Kenya	347	WildlifeDirect Kenya Limited
317	Tecnofin Kenya Limited	348	Women in Energy Extractives Association
318	Tembea Africa Tours and Travel Limited	349	Yusudi Limited
319	Tetra Pak Limited	350	Zenka Finance Limited





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