



Annual Report & Financial Statements

2020

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About KEPSA



KEPSA CEO ADDRESSING KEPSA MEMBERS IN A PAST KEPSA EVENT

The Kenya Private Sector Alliance (KEPSA) is the apex body of private sector in Kenya. KEPSA brings together local and foreign business associations, chambers of commerce, corporates as multinational companies, large corporates, SMEs and start-ups from all sectors of the economy under one umbrella to enable them speak with one voice when engaging Government and other stakeholders on cross-cutting policy issues affecting private sector development, supporting businesses on training, opportunities to network for business, financial linkages, mentoring, access to markets, value chains and access to investment opportunities. KEPSA's membership categories have been developed to meet the size of all businesses across the entire country.

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

- ▶ 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 roles 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); Private Sector - Government Roundtable through NDICCC; 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.

KEPSA's Public Private Dialogues and Engagement Platforms

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)

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), Business Registration Services (BRS), Nation Police Service, KPLC, EPRA, etc on specific business issues that require resolution by the respective departments.



PRIVATE SECTOR MEETING WITH SECRETARY
GENERAL OF AFRICAN CONTINENTAL FREE
TRADE AREA (AfCFTA) - FEBRUARY 4, 2021

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 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.

KEPSA LEADERSHIP

KEPSA leadership is made up of the Board of Directors, the Governing Council, Advisors, Trustees and the Management.

Board of Directors



Mr. Nicholas Nesbitt

Chair | Technology



Ms. Rita Kavashe

Vice - Chair | Transport & Logistics



Ms. Carole Karuga

Board Secretary



Ms. Brenda Mbathi

Energy & Education



Ms. Catherine Musakali

Gender & Governance



Dr. Elizabeth Wala

Health



Ms. Flora Mutahi

Food Security



Mr. Francis Munywoki

Media & Anti-Corruption



Mr. Gichuhi Allen Waiyaki

Legal & Professionals



Mr. Graham Shaw

Foreign Investments



Mr. Jaswinder Bedi

Regional & Continental Investments



Mr. Jeremy Awori

Finance & Macro-economic
Stability



Mr. Michael Macharia

Labour & Housing



Ms. Patricia Ithau

SMEs



Mr. Sachin Gudka

Industrialization & Local Investments



Mr. Sun Mengxin

Infrastructure

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



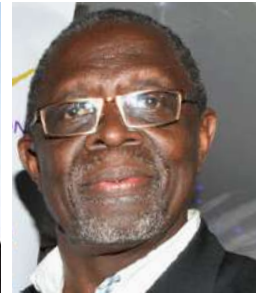
Ms. Gloria Ndekei



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 Management



Carole Karuga
CHIEF EXECUTIVE OFFICER



Martha Cheruto
DEPUTY CEO



Victor Ogalo
HEAD, PPD & PRA



Aphlyne Agina
HEAD OF OPERATIONS



Pascalina Kagunda
HEAD, MEMBERSHIP



Harrison Ngatia
HEAD OF PROJECTS



Patrick Maingi
PPD SPECIALIST



Nathan Kivuva
M & E AND KNOWLEDGE
MANAGEMENT SPECIALIST



Anne Katule
KEPSA FOUNDATION
ADMINISTRATOR



Ehud Gachugu
PROJECT DIRECTOR-AJIRA



Karin Boomsma
PROJECT DIRECTOR- SIB-K



Hilda Muchunku
FINANCE MANAGER



Ebenezer Amadi
PROGRAM MANAGER SIB-K



Timothy Odongo
BUSINESS HUB MANAGER



Lawrence Kegoli
M & E MANAGER-AJIRA



Mumbi Karanja
COMMUNICATIONS MANAGER-AJIRA

KEPSA Management



Boniface Mutinda
COMMUNICATION &
DIGITAL MEDIA OFFICER



Faith Ngige
PPD OFFICER



Benjamin Musungu
PPD OFFICER



Joyner Okonjo
LEGAL ADVISOR



Anthony Githendu
MARKETING AND
MEMBERSHIP OFFICER



Eric Ndume
PROCUREMENT OFFICER



Llyord Mwaniki
PROJECT OFFICER-BUSINESS
HUB



Sophie Wamalwa
HR & EXECUTIVE OFFICER



Denis Kiplagat
PROJECT OFFICER- SIB - K



Josephine Wawira
COMMUNICATION AND
MARKETING OFFICER- SIB-K



Pracksidis Wandera
ADMIN AND EVENTS
OFFICER-SIB-K



Raymond Obare
KNOWLEDGE MANAGEMENT
CONSULTANT-SIB-K



Alex Nene
EGOVERNMENT
PROJECT OFFICER-AJIRA



Gregory Nyakwara
TECHNICAL PRODUCT
OWNER-AJIRA



Valentine Wambui
PROJECT OFFICER- PRIVATE
SECTOR ENGAGEMENT- AJIRA



Rachel Gathu
PROJECT OFFICER- PRIVATE
SECTOR ENGAGEMENT- AJIRA



Jared Maranga
POLICY ADVOCACY OFFICER
-EGOVERNMENT-AJIRA



Joshua Namanga
DATA OFFICER-AJIRA



Nicholas Machoni
E-LEARNING OFFICER-AJIRA



Reginah Ndung'e
PROJECT ACCOUNTANT-AJIRA

KEPSA Management



James Kuria
PROJECT OFFICER- MSME PROJECT



Lucy Mitei
GENDER SPECIALIST- MSME PROJECT



Sakwa Masai
SME SPECIALIST-MSME PROJECT



Caroline Kawira
PROJECT OFFICER-UNICEF



Francis Njiri
ACCOUNTANT



Judy Makau
EXECUTIVE ASSISTANT



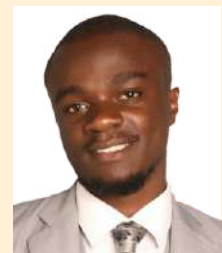
Phyllis Ndothya
PROJECT ASSISTANT- AJIRA



Daniel Musembi
POLICY & RESEARCH ASSISTANT



Brian Ndichu
IT/PPD ASSISTANT



Emmanuel Ochieng
PPD ASSISTANT



Mary Mailu
PPD ASSISTANT



Peter Thairu
PPD ASSISTANT



Ferdinand Musungu
COMMUNICATIONS ASSISTANT



Stacy Mwende
MEMBERSHIP & MARKETING ASSISTANT



June Wairimu
MEMBERSHIP ASSISTANT



Fridah Kagwiria
OFFICE ASSISTANT



Faith Owiyo
PROJECT ASSISTANT- UNICEF



Fredrick Okinyi
PRA ASSISTANT



Loise Wanjiru
PPD ASSISTANT



Joy Maigua
KEPSA FOUNDATION ASSISTANT



Raymond Mwangi
DRIVER & OFFICE ASSISTANT



Vanice Atieno
HR & ADMIN ASSISTANT

Notice & Agenda of Virtual AGM

NOTICE IS HEREBY GIVEN that due to the ongoing COVID-19 pandemic, the related Public Health Regulations and restrictions on public gatherings by the Government of Kenya, the seventeenth Annual General Meeting of Kenya Private Sector Alliance Limited will be held by **Electronic Means** on **Thursday, 27 May 2021 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 and adopt the Report of the Board of Directors for the year ended 31 December 2020 (**Resolution 1**).

b) Report of the External Auditors

To receive and adopt the Auditors' Report on the Financial Statements for the year ended 31 December 2020.

c) Financial Statements for the year ended 31 December 2019

To receive, consider and, if thought fit, adopt the audited Financial Statements of the Company for the year ended 31 December 2020 (**Resolution 2**).

d) Retirement and Appointment of Directors

To appoint new Directors in accordance with the provisions of Article 42 of the Company's Articles of Association in place of the Directors who shall retire at this meeting in accordance with Article 41(a) of the Company's Articles of Association which states that one-third or the number nearest to one-third of the Directors shall retire from office every two years. The Nomination Committee of the Board shall recommend names for appointment at the Annual General Meeting (**Resolution 3**).

e) Re-appointment of External Auditors

To re-appoint Messrs Pricewaterhouse Coopers LLP as Auditors of the Company until the conclusion of the next Annual General Meeting (**Resolution 4**).

f) Remuneration of the External Auditors

To authorise the Directors to fix the Auditors' remuneration for the ensuing Financial Year (**Resolution 5**).

3. ANY OTHER BUSINESS

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

- a. To note the names of the Sector Board leaders for the 2021-2023 term
- b. To appreciate the retiring Directors and Sector Board leaders

BY ORDER OF THE BOARD



JLG MAONGA
MAONGANDONYE ASSOCIATES
COMPANY SECRETARIES

Note:

1. No Member shall be entitled to vote at the general meeting unless all monies presently payable by him to the Company shall have been paid.
2. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote in his stead and a proxy need not be a member of the Company. The proxy form is herein attached.

Statement from the CEO

EMERGING FROM THE COVID-19 PANDEMIC STRONGER TOGETHER



Carole Karuga, MBS, HSC
CHIEF EXECUTIVE OFFICER

NAVIGATING THE COVID-19 PANDEMIC RAPTURE

Battered by the worst health and economic crisis of our times, Kenya's private sector has once again proven its resilience and uncanny ability to adapt or bounce back from the most extreme of adversities. Despite the downturn that saw the economy grow at an estimated 0.6 percent and lose up to Ksh 560 billion in GDP, the year 2021 is poised for strong rebound to a projected growth of 6.9 percent.

At KEPSA, the pandemic brought new challenges as well as opportunities to re-engineer business. Our focus shifted to supporting businesses to overcome the negative effects of the pandemic and/or turn the tide in their favor. The private sector, development partners and Kenyans of goodwill also stood with the most affected in society, easing the cost and access to essential products, providing cash and in kind donations, safeguarding jobs and financing to keep small businesses going. The private sector demonstrated its commitment in supporting businesses during the pandemic by implementing a series of interventions that helped to maintain jobs and livelihoods.

We mobilised our members who made a significant impact such as financial contributions in the tune of close to **3Billion Kenya Shillings** besides provision of water, soap and tanks and hand washing stations, provision of thermal guns, ventilators, sanitizers, masks, PPEs, e-learning platforms, telecommunication support, advertising and communications, mattresses, digital commerce program, digital resources and training.

In collaboration with our members in the Agriculture Sector, we launched the “Flowers of Hope” Project, by sending flowers that would otherwise have been wasted to our existing and new markets in Europe, and later to our local hospitals. The idea was to spread a message of hope and compassion, as well as maintain the existing markets and attracting new markets in Europe.

Working together with our manufacturing firms, we spurred local production of personal protective equipment (PPEs). This involved the reconfiguration of factories and production lines to produce PPEs, with a daily capacity of over one million metres of polypropylene and the provision of over 240,000 litres of ethanol for production of hand sanitizer. Local manufacturers and SMEs through strong linkages have greatly benefited from the local production of PPEs and essential products.

As part of our response measures to Covid-19, we established a 24-hour Call Centre via a toll free number 1196 and information portal to support our members in accessing Covid-19 related information and to facilitate business linkages for continuity. Through our toll free number 1196, we on-boarded a citizen *Okoa Maisha* initiative in partnership with the National Police Service, Citizen Television and Telesky to report non-compliance of Covid-19 Rules as well as a “*Men in Silence*” initiative to stop domestic violence against men and assist men in accessing professional counselors.

In addition, through a collaborative venture that brought together our Health Sector Board – the Kenya Healthcare Federation (KHF) -and the Bolt Digital Taxi Services, we launched a project with a true human face -the **Wheels for Life Program** to assist expectant mothers to access hospitals and other health services during curfew hours. So far, about 4,100 mothers have been assisted, 945 cabs dispatched and 757 emergency ambulance trips made. We are truly proud and celebrate the innovator of the Wheels for Life, Dr. Jemimah Kariuki for a deserved global recognition as the recipient of the WHO Director General's Award for Global Health 2021.

Most of our proposals made during engagement with the government underpinned by the KEPSA Economic Management Framework for Covid-19 Response were adopted in the presidential speeches, where the government extended support to private sector to cushion businesses, re-energize the economy and protect jobs. The ten months-long economic stimulus measures that started in April 2020 included 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, reduction of Turn-Over Tax from three to one percent, expedited payment of pending bills and VAT refunds, reduction of CBR from 8.25 to 7 percent and Cash Reserve Ratio from 5.25 to 4.25 percent to ease liquidity.

The government also allocated KES 56.6 Billion budget for different sectors under the President's Eight-Point Economic Stimulus Programme, and began phased re-opening of the economy from July 2020 including resumption of domestic and international flights, reopening of schools, among others. This followed our Roundtable with the NDICCC in May 2020 from which KEPSA embarked on developing Private Sector Protocols for reopening of the economy. Triumphantly, these protocols were considered and adopted by the Ministry of Industrialization, Trade and Enterprise Development as part of the Guidelines for Business Operations during Covid-19 period.

VIBRANT PPDS SUPPORTED BY THE POWER OF TECHNOLOGY

Use of technology improved flexibility and allowed many of our Public Private Dialogues and engagements at sector board level and with various Ministries, State Departments and Agencies to resolve policy issues related to Covid-19, and ensure business continuity/recovery. For instance, the May 2020 Roundtable with the NDICCC provided us with the opportunity to review the various Covid-19 containment measures, check how the private sector had responded to those measures, and take stock of the state of the economy. The government thanked the private sector for their support in responding to the Covid-19 challenges, especially for offering insightful contributions and funding to the Covid-19 response plans that included the Covid-19 Response fund.

Other major engagements held successfully with the support of technology include the Kenya-Tanzania Business Forum attended by H.E. President Uhuru Kenyatta and H.E. Samia Suluhu, Roundtables with the Nairobi Metropolitan Services Director General and several with its various Directorates to improve business environment in the Capital City; engagement with National Assembly and Senate Departmental Committee Chairs to intervene on legislations critical to private sector; Roundtables with the CBK Governor on monetary issues and business liquidity; engagements with the Business Registration Services to update on reforms being undertaken at the companies registry; and, Tax Roundtables with KRA to resolve tax administration issues.

In keeping with our legislative engagements to bring about business, economic and political reforms, we continued with our engagements with both Houses of Parliament in different Committees to provide input into Bills that affect private sector. We managed to engage on six laws that were enacted in the 2020/2021 financial year with KEPSA's input. We also provided inputs into 17 Bills that are pending enactment; and took part in formulating five draft Bills and Policies that are pending tabling in Parliament. Furthermore, we engaged in pushing for operationalization of key Regulations for the Digital Health, taming Bribery, supporting MSMEs and environmental management. Most of these details are contained in our AGM Report, which we urge members to read at their own opportune time.

“ We mobilised our members who made a significant impact such as financial contributions in the tune of close to 3Billion Kenya Shillings

REMARKABLE ACHIEVEMENTS FOR OUR SECTORS

At sector level, we ensured that each Sector Board was active and held regular meetings to resolve members' issues and engaging the relevant Ministries through Ministerial Stakeholder Forums. This enabled us to register remarkable achievements for our members under the different sectors, which achievements include the following:

Agriculture: Operationalization of ASNET organs and launch of its strategic plan; lifting of maize imports ban from Uganda and Tanzania; release of outstanding payment to millers and Ksh 10 billion in VAT refunds to flower firms; accreditation of warehouses to implement the Warehouse Receipt system; Roll out of the E-voucher inputs scheme; Aflatoxin management strategy; among others

EAC – KEPSA successfully advocated for stay of application order on originating goods imported from COMESA with effect from 1st January 2021; Mutual recognition of COVID-19 certificates at the borders; Cabinet approval of the establishment of the EAC seamless Airspace towards the Open Sky Policy; engagement with Tanzania High Commission to address NTBs in the region; etc.

Education: Facilitation of e-learning and reopening of schools; KEPSA representation at the Education COVID 19 committee; etc.

Energy and Extractives: The Kenya Bio-Energy Strategy (2020-2022) launched with KEPSA input; KEPSA nominated to participate in the Bio-Energy Strategy Implementation Committee; Formation of a Taskforce to Review of Power Purchase Agreements; and application of VAT on Liquefied Petroleum Gas pushed to July 2021 from July 2020.

Environment, Water and Natural Resources: Cabinet approval of the Sustainable Waste Management Bill and Policy; Development of the Public Private Partnership Framework for Organic Waste Management; Extended Producer Responsibility Regulations and Operationalization of the Climate Business Information Network Kenya as one stop shop for private sector engagement in climate change adaptation.

Gender and Youth: Successfully hosted the 2nd Supplier Diversity Summit virtually on 14th October 2020; development of a Private Sector Gender Policy; launch of a Gender Based Violence Advocacy Project funded by Bill and Melinda Gates Foundation, among others.



Devolution & Planning: Development of Private Sector Voluntary National Report; Resolutions touching on Sector Boards advocacy made during Council of Governors Covid-19 Conference, etc.

Health: Partnership with government in Covid-19 response including resource mobilization, training of healthcare workers, vaccination, launch of Wheels for Life initiative; development of Digital Health Regulations; registration of over 40 telehealth providers, etc.

ICT: Adoption of KEPSA's recommendations by Communications Authority on the CA Type approval process; Development of Digital Economy Blueprint with KEPSA input; establishment of Office of the Data Protection Commissioner (ODPC), among others.

Industrialization and Trade: Facilitation during the Covid-19 pandemic through provision of curfew and lockdown passes; KEBS approval of local PPE manufacturers; incorporation of Buy Kenya Build Kenya on performance contracts; ratification of the Kenya- UK EPA, commencement of AFCFTA and Kenya-US FTA negotiations, etc.

Transport and Infrastructure: Establishment of the Kenya Transport and Logistics Network (KTLN) that brings together Kenya Ports Authority (KPA), Kenya Railways Corporation (KRC) and Kenya Pipeline Company Limited (KPC) under the coordination of the Industrial and Commercial Development Corporation (ICDC); extension of the free days period from 4 days to 5 days at ICD Nairobi and Port of Mombasa for 90 days period; removal of verification surcharge fee on compliant customers; revamping of the metre gauge railway line from Nairobi – Nanyuki and Nairobi-Kisumu; Launch of the Commuter Rail Transport in Nairobi and development of framework on truck drivers Covid 19 testing to reduce delays at the borders, etc.

Lands and Physical Planning: Launch of the National Land Information Management System (NLIMS); Gazettement of the Stamp Duty (Valuation of Immovable Property) Regulations 2020 which allows use of private valuers; Enactment of the Section Properties Amendment Act 2020, etc.

Public Finance: Cabinet approval of establishment of a Credit Guarantee Scheme; various stimulus measures adopted in 2020/21 budget (Ksh 56.6 b economic stimulus), etc.

Security: Training of over 500 security guards in partnership with MOH on COVID-19 compliance and best work safety practices; 3,720 individuals trained on return-to-work protocols in partnership with Private Security Training Academy (PSTA); development of a Nairobi County Action Plan document to Prevent and Counter Violence Extremism by National Counter-Terrorism Center (NCTC), etc.

Sports, Arts and Culture: Formation of three Joint Working Committees on Sports, Creative and Legal with the Ministry of Sports, Culture and Heritage which will be addressing key issues from the sector; Inclusion of Kenya Safari Rally into the International Automobile Federation World Rally Championship 2021; Development of a stimulus programme to support both the sportspersons and creative sector people who were heavily affected by Covid 19.

Tourism: 5,000 Covid-19 vaccine jabs set aside for Tourism frontline workers, set up of a Committee to enforce the Tourism Regulatory Authority (TRA) Regulations, Ksh. 3 Billion allocated for hotel refurbishment, Waiver of landing and parking fees at Kenyan airports.

SUPPORTING EVIDENCE BASED ADVOCACY

To support our PPD work with evidence-based research and issue identification, the Policy Research and Analysis Department conducted four surveys in the year 2020 to guide proposals for Economic Management Framework for Covid-19 response. From the Survey in September/October, we noted that most businesses were holding up better compared to the case revealed by our Survey in May/June.

Other surveys conducted include a KEPSA Employee Survey and the 2020 Membership Satisfaction Survey where 87% of our members who responded revealed that they were indeed satisfied with KEPSA's overall professionalism while 80% did agree that KEPSA provided you with adequate assistance and responded to your inquiries in a timely manner. But at the same time, we realised that only 67% of you did participate in the sector board meetings despite this being the engine of KEPSA and determinant of our success. For that reason, we urge you to step up your commitment and participation in Sector Board meetings so that together we can find solutions and push for necessary implementations for our on benefit.

RESPONSE PROJECTS

In February 2021, we launched an E-Commerce Booster Program with support from TradeMark East Africa (TMEA) funded by European Union and UK's Foreign Commonwealth Development Office to support at least 2,000 SMEs gain digital skills and build capacity to operate in the digital market-space. By end of April 2021, over 2,600 SMEs had expressed interest in the program and 11 series of capacity building for over 1,300 businesses on had been conducted. Implementation is ongoing with technical assistance provided by Amari Consulting and the program is expected to run for a period of 5 months.

About 2000 trucks cross Kenyan borders hauling goods into the neighbouring countries. Flow of trade across these key border points severely disrupted with runaway costs partly due to delays in testing of truck drivers for Covid-19. In one case, a 66km long queue of trucks was witnessed in Malaba border in July 2020 and in April this 2021 we witnessed a 28km of truck jam along Buema to Malaba Border. To bring hope to our trucking companies and the community of truck drivers and their crew, we are happy to report that that we have established a **Revolving Fund through a grant from TMEA to help in sustainable Covid-19 testing program for truck drivers to facilitate trade in Kenya and EAC.**



KEPSA CEO DURING THE LAUNCH OF KEPSA E-COMMERCE BOOSTER PROGRAMME
FEBRUARY 25, 2021



CITY CLEANUP EXERCISE - MARCH 13, 2021

In a partnership with the Mastercard Foundation, we launched an MSME Covid-19 Recovery and Resilience Programme, which has been instrumental in supporting women and youth owned businesses that have been affected by the COVID-19 pandemic due to prevailing market disruptions. So far 101 businesses have benefited from the loan financing amounting to KES 40,068,532 out of the over 700 applications received. Out of these, 80% are women owned. Through the program, an SME database has been developed with over 7,000 businesses and creation of an SME portal is going on to better target and support them.

In January 2021, we launched a project in partnership with Bill and Melinda Gates Foundation on Gender Based Violence (GBV) to address issues related to GBV for a period of one-year. This was informed by the rise in number of GBV cases during the Covid-19 period.

Under the KEPSA Foundation, some of the projects under implementation include the Sustainable Inclusive Business, Ajira Digital Program, Pamoja Imara Initiative; Better Business Practices for Children – Children Welfare; Natural Capital Network for better coordination of environment stakeholders; Nairobi for Africa; Africa Venture Philanthropy Alliance (AVPA) towards Social Impact Investment and Wezesha Youth Placement Program.

The Ajira Digital Project is implemented by KEPSA in partnership with E-Mobilis, Ministry of ICT, Mastercard Foundation and is seeking to link 2 million youth across Kenya to digital and digitally enabled work by 2022 through implementation of five program areas. A total of 870 youth have been engaged in the judiciary pilot project and 16,670 youth linked to digital and digitally enabled work

opportunities in ecommerce, online work, digital marketing and content creation through various program activities and partnerships. Also through the various eLearning partners e.g. Google Digital Skills for Africa and ABSA, Ajira has managed to have 28,932 youth registering on third-party learning providers with 8,808 completing courses.

The Wezesha Program is a collaboration between KEPSA and Education for All Children (EFAC) and is aiming to create an ecosystem, through collaboration, where beneficiaries are to be placed within organizations, companies and/or programs for the purpose of building their skills, competences and experience that will enable them to eventually be placed in the job market.

Other projects we implemented include a Nairobi Clean-up Exercise by KEPSA staff in partnership with NMS at Kibera informal settlements and mobilizing participation in gender focused initiatives such as dialogue on women participation in National Resource Sharing and Budget Making Processes.

RENEWED FOCUS ON MENTORSHIPS, NETWORKING & BUSINESS OPPORTUNITIES

Under our Business Hub, we hosted close to 60 B2B forum, mostly virtually. These included training and mentorship sessions for women and youth-owned SMEs. The notable business forums we hosted include the Kenya-Tanzania Business Forum, B2B forum with Austrian companies in the Construction Sector, Turkish Exporters' Assembly, Invest Northern Ireland, Turkey-Africa Economic & Business Forum, Financing Webinar with U.S. International Development Finance Corporation (DFC), World Trade EXPO, Handloom Festival –India, 1st Tunisia Africa E-Business meeting, among others. The Hub also coordinated private sector consultations to provide input into the Kenya-US FTA and the Kenya-UK EPA agreement.

EVERMORE IN THE NEWS

Under PR and Communications, we remain committed to strengthening the KEPSA brand and maintaining its image using tools such as Daily Media Watch, Weekly News E-shots, Daily WhatsApp messaging, Email blasts and Social Media - Facebook, Twitter, Linked in & YouTube. During the period, we disseminated 19 press statements on various issues, facilitated 18 Television interviews, received coverage in 61 Television stories, 138 Radio mentions and 262 publications on newspaper / online spaces.

A SURPRISING SURGE IN MEMBERSHIP GROWTH IN UNCERTAIN TIMES

We appreciate our members for standing with and believing in us even through such times. And because we have also not let you down, our evident impact has attracted 244 new members whom we welcomed to the KEPSA family including 10 business associations, 17 corporates, 91 SMEs and 126 start-ups. We are happy to announce that going forward, our start-up members, micro and small business members will find home in our newly-established SME Club at KEPSA, which will give them a sense of true belonging and where they can more effectively formulate proposals and solutions to issues affecting them.

We conducted two induction sessions for our new members and where necessary supported our members to obtain essential stickers to facilitate movement during lockdown or curfew hours. We also continue to support New Associations such as Agriculture Sector Network (ASNET), Film Exhibitors and Distributors Association of Kenya (FEDAK), International Chamber of Commerce – Kenya, Digital Lenders Association (DLAK), Online Professional Workers Association of Kenya (OPWAK) and International Relations Society of Kenya (IRSK).

WORKING HARD TO AVOID LAYOFFS AND EVENTUALLY EMPLOYING MORE

Under Human Resources and Administration, a total of 27 employees were recruited to support with different projects within the year. The organization adopted a hybrid work arrangement due to the Covid-19 pandemic and has continued to support employees through wellbeing programs held virtually, training programs, communication and other support. Looking forward, we remain optimistic that the roll-out of Covid-19 vaccines, enforcement of health safety measures and businesses innovation (e.g. use of technology) will aid in overcoming the adverse effects of the pandemic and recovery, not to pre-Covid status but a new world order.

EMERGING ECONOMICALLY STRONGER TOGETHER: LIVING WITH COVID-19 AND THE NEW WORLD ORDER

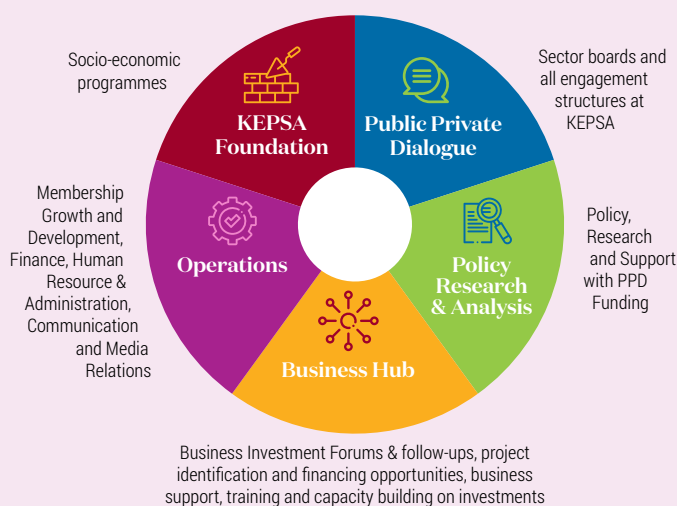
As we began the year in 2021, we developed a new response strategy to guide us in navigating through the hard economic times. The theme of this strategy is ***“Emerging Economically Stronger Together: Living with covid-19 and the New World Order”***. The strategy focuses on five key pillars spread across the functions of the respective departments:

- ▶ **Public Private Dialogue Pillar:** Global Competitiveness, Doing Business Index
- ▶ **Sustainability Pillar:** Sustainable Development Goals (SDGs), Green Economy, Blue Economy, Climate Change
- ▶ **Governance Pillar:** Corporate Governance, National Leadership, Corruption
- ▶ **Business Hub Pillar:** SMEs Development and Economic Diplomacy
- ▶ **Social Pillar:** Youth and Women jobs enterprise development

The faster the economy recovers hinges on success of the ongoing vaccination drive. Considering the slow pace and challenges securing the doses, KEPSA partnered with Ministry of Health to support the government in shouldering the cost of the vaccination efforts. Under the proposal, companies interested in supporting the initiative will commit to taking on the costs of vaccinating free of charge those in their immediate purview and a portion of members in the community. For every employee and family members vaccinated, the companies will commit to meeting the costs of vaccinating up to five additional persons in the community. This will accelerate the pace of vaccinations and get us closer to herd immunity by the end of the year.

We look forward to walking this new journey with you for another one more gracious year as we inch on progress after progress so that together we can emerge economically stronger as this new normal business environment caused by the Covid-19 Pandemic and as we operate under the new world order.

The 5 Pillars of KEPSA



Directors' Report



Nicholas Nesbitt
CHAIRMAN

I am very proud to say that the Covid-19 pandemic has indeed demonstrated the great adaptive capacities of many Kenyan businesses, demonstrating their ability to be agile and adjust to the changing market conditions and withstand such a drastic economic shock. In this era of changing consumer patterns amid dwindling incomes, the covid pandemic forced many business leaders to tailor their business value propositions to meet these evolving needs while also meeting the radical changes required in their go to market strategies. Many embraced innovative digital practices, many transformed their manufacturing sites, and many evolved out of nowhere, born in the covid era.

Despite the pandemic's immediate shock to the economy, it spawned significant business transformation with technology being the core enabler of the metamorphosis. According to UNCTAD B2C E-commerce Index 2019, Kenya was ranked among the top five African performers, thanks to the growing adoption of E-commerce by businesses. Premised on this understanding, with the support from partners, KEPSA has also initiated the E-commerce Booster Program to build capacity for MSMEs to engage in E-commerce and leverage the digital ecosystem to enhance growth and resilience.

Nevertheless, the pandemic greatly slowed our economic progress towards the last mile of Vision 2030. Our fiscal deficit has widened and our GDP growth rate fell way below the 10 percent threshold that was envisaged in Vision 2030. Notably, the Shilling has plunged to an over four year low against the Dollar, attributable to declining forex inflows and poor performance of the Tourism Sector. For instance, the Shilling weakened by 8.9% from Ksh.101 to the Dollar in October 2020 to Ksh 110 in November 2020. And the pandemic has caused an estimated 2 million people to fall into poverty and more than 900,000 people to lose their jobs.

Additionally, the emergence of the third wave significantly reduced the business confidence in the country. Notably, the Stanbic Bank Kenya Purchasing Manager Index (PMI) indicated that Kenya recorded an eleven-months low of 41.5 in April of 2021, down from 54.7 recorded in April 2020. This sharp contraction is attributable to the effects of the partial lockdown in five Counties and increased curfew hours which significantly disrupted supply chains. On the inputs price front, the decision by the energy regulator to increase the pump prices to the historic highs contributed to the reduction in business confidence, unleashing pricing pressure across the economy. Currently, petrol is retailing at a level last seen in November 2011 while diesel is selling at the highest level since December 2018.

Fortunately, there has been an economic recovery. The recovery reported in the fourth quarter of 2020 and first quarter of 2021 was mainly driven by improved performance in the key economic sectors such as agriculture, real estate, finance and insurance and local trade. Going forward, the growth outlook remains positive with the economy projected to grow by 6.3% in 2021. Given the sharp reduction in the import oil bill, the Current Accounts deficit is expected to narrow to 5.4% of the GDP. Consequently, the narrowing fiscal and accounts deficits will result in improved revenue collection and increased exports with inflation projected to remain within the Central Bank target range of 2.5% to 7.5% in the short term.



KEPSA PRESENTATION TO IEBC SELECTION PANEL - MAY 11, 2021

Additionally, the accommodative monetary policies together with the fiscal stimulus announced in the FY 2020/21 budget contributed to the steady interest rates, which remained unchanged at 7% as of March 2021. The benchmark interest rate marked the seventh consecutive hold since March-April last year. In the run up to the second quarter of 2021, the inflation rate also remained well anchored at 5.7% with Central Bank forecasting a stable trajectory in the near term.

While the Covid 19 challenges cannot be understated, as KEPSA we firmly believe that Kenyan business must take pragmatic actions to ensure near-term business continuity and a stronger rebound. Through our Covid-19 Response Committee and Project Management Office, we have continued to hold weekly Covid meetings to share updates and response measures by different sectors. This has enabled the business community to keep abreast of the current happenings and devise business strategies that align with the evolving needs, even as we proceed to the electioneering period.

Additionally, as business leaders we are optimistic about the emergence of vaccines as drivers to renew hopes of economic recovery in the midst of the pandemic. As of May 21, 2021, the number of Covid -19 vaccination doses administered in Kenya rose to 945,597 which portends good news in Kenya's effort to flatten the curve. The economic rebound is contingent on the success of containment measures and the vaccine program roll out and should therefore be given prominence by the business community and the policymakers moving forward.

KEPSA is also taking a very strong leadership role to ensure that the run up to the elections does not disrupt the economy as much as it has done previously. We all know that the high intensity campaigns and disruptive social conditions significantly hard the economy and investor confidence. The data clearly shows that some of Kenya's elections have been preceded and succeeded by annual economic showdowns and very high inflation rates, as was the case with the 2002, 2008, 2012 and 2017 elections. Consequently, KEPSA has re-activated the *Mkenya Daima* Campaign to promote a peaceful, free and fair electoral process supported by continuous dialogue between stakeholders on governance issues affecting the Country and the economy. The Peace campaign will be instrumental in fostering peaceful coexistence and economic growth ahead of the upcoming 2022 General elections.

Despite it all, the Kenyan economy has managed to perform far better than many other “stronger” countries around the world. Kenyan businesses have demonstrated their resilience, they have illustrated their diversity and agility to respond to threats by creating new business models, the government has continued to build its relationship and understanding of how private sector works, and with the greater communications within the business environment and the frequent sharing of business issues and their resolution, we have kept our “fingers on the pulse” of the economy and managed to pull through. We are conscious of the challenges of the upcoming elections, and so KEPSA will continue to do what it does best – promote healthy, public private dialog and continue to keep our communication ties within the business environment short and strong.

I am proud of what KEPSA has achieved during these challenging and unprecedented times and gladly look forward with great anticipation to further successes in the year to come.

Finance Chairmans' Statement

AUDITED FINANCIAL STATEMENTS FOR FINANCIAL YEAR 2020

The Board presents the audited annual financial statements for Financial Year 2020. The auditor will be issuing their report shortly after this. 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 256M against 2019's KES77M. The growth for this category is as a result of new funding in the year. There was an increase in the income received from the Ajira Digital project and the PPD Program "Integrating Public-Private Sector Dialogue (PPD) for Trade and Investment in Kenya" due to increased activity on both, significantly from the levels of activity for the same in the year 2019. During the year, there was also new funding for 3 other new programs/ projects besides the Ajira Digital project as follows; "Integrating Public-Private Sector Dialogue (PPD) for COVID response and Ecommerce", "MSME Financing Facility" and "Supporting an Inclusive and Multi-Sectoral Response to COVID-19"
- b) Membership subscriptions increased marginally to KES74M (2019: KES 72M), notwithstanding the challenge's businesses faced in light of the COVID-19 pandemic, our members readily engaged and took on the new norm of online PPD engagements due to the COVID protocols restrictions on gatherings and honoured payment of their membership subscriptions. Furthermore, there was increased interest in membership for the SME category arising from the project "MSME Financing Facility" with support from Mastercard Foundation that provided support to SME's for recovery from the adverse effects of the COVID-19 pandemic.

II. Expenditure

Overall 2020 shows Administrative expenses of KES154M against 2019's KES 108M, this increase is as a result additional staff costs for direct project staff due to the additional projects. These staff are however directly linked to the projects and fully supported by PPD and Project Funds. Under the General fund however overheads were reduced to a bare minimum once the COVID-19 pandemic hit.

The signing up of the new projects/programmes, also meant an increase in PPD and project costs - to close at KES127M, against 2019's KES 85M, these are however fully funded and supported by project revenues. The Finance cost relates to interest on Lease for office space and is a non- cash expense.

Total Revenues for the year were KES 346M (2019: KES163M), against total expenses of KES 300M (2019: KES 208M) resulting in a closing position where revenues exceeded expenses by KES 46M that has gone into reserves. Measures have been put in place to continue the rebuilding of reserves which cushion the Company in leaner business years.

The Statement of financial position

There has been a turnaround in the Fund balances, though having opened the year at negative 50M, with the positive closing balance of the income statement these have been significantly reduced to close the year 2020 at negative KES4M.

Conclusion

The detailed notes on the 2020 financial performance are 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



Kenya - Tanzanian Business Forum during President Suluhu's Visit To Kenya

ABOUT PUBLIC PRIVATE DIALOGUE (PPD) DEPARTMENT

The KEPSA PPD Department is the heartbeat of all KEPSA operations. Through the various PPD Platforms, KEPSA engages with all three arms of the Government of Kenya (Executive, Parliament, and Judiciary) to ensure that there is a favourable environment for doing business in Kenya.

To adequately engage with the Government, KEPSA is organized into various Sector Boards, which are the basic points of advocacy, at the sectoral level. All KEPSA members are expected to join at least one of the sector boards, more as the need may arise. The Sector Boards operate interdependently, working to ensure that our advocacy work is in sync with our mandate, as the apex private sector body in Kenya.

KEPSA SECTOR BOARDS

| | | | |
|----------|---|-----------|---------------------------------------|
| 1 | Agriculture, Livestock & Fisheries | 9 | ICT |
| 2 | Devolution & Planning | 10 | Industrialization & Trade |
| 3 | East African Community | 11 | Transport & Infrastructure |
| 4 | Education | 12 | Lands & Physical Planning |
| 5 | Energy & Extractives | 13 | Public Finance |
| 6 | Environment, Water & Natural Resources | 14 | Security |
| 7 | Gender & Youth | 15 | Sports, Arts & Culture |
| 8 | Health | 16 | Tourism |

VIBRANT PPDS SUPPORTED BY THE POWER OF TECHNOLOGY

During the year, our PPD engagements have been geared towards mitigating the impacts of the coronavirus on Kenyan businesses, developing prevention guidelines and protocols, and a return to work formula after the lockdowns. In support of the raft of measures set up by the Government, KEPSA undertook numerous of steps to assist the private sector to respond and curb the spread of the virus.

We held a total of 162 Public Private Dialogue (PPD) and Sector Board engagements in the year; including one (1) roundtable with the National Development Implementation and Communication Cabinet Committee (NDICCC), twelve (12) meetings with the various committees of parliament (both the Senate and National Assembly to intervene on legislations critical to private sector), twenty-three (23) Ministerial Stakeholder Forums (MSFs), eighty-two (82) meetings with various government departments and agencies (including regulators) and seventeen (17) engagements with the Nairobi Metropolitan Services (NMS), either as an entity or with the various NMS Directorates to improve business environment in the Capital City; three (3) Roundtables with the CBK Governor on monetary issues and business liquidity; two (2) engagements with the Business Registration Services to update on reforms being undertaken at the companies registry; and, three (3) Tax Roundtables with KRA to resolve tax administration issues.

In addition, KEPSA made inroads with the Council of Governors (CoG) and various County Governments, holding a total of sixteen (16) engagements. All these resulted in major resolutions and decisions to cushion businesses, enhance competitiveness and improve the overall ease of doing business in Kenya. In return, the private sector made major investment commitments to the government, to sustain the Kenya economy, especially during the current coronavirus pandemic.



MOBILIZING PRIVATE SECTOR TO NAVIGATE THE COVID-19 PANDEMIC RAPTURE

The Private Sector response towards Covid-19 and business continuity measures are articulated in the report titled, Economic Management Framework for Covid-19 Response. In further response and support to its members, KEPSA set up an online portal (www.COVID-19.ke) and a 24-Hour Call Centre, a toll-free number (1196), for businesses to report on matters on the coronavirus pandemic.

KEPSA developed an engagement mechanism through its weekly Coronavirus response meetings. We mobilised our members who made significant contributions such as financial contributions in the tune of close to 3Billion Kenya Shillings besides provision of water, soap and tanks and hand washing stations, provision of thermal guns, ventilators, sanitizers, masks, PPEs, e-learning platforms, telecommunication support, advertising and communications, mattresses, digital commerce program, digital resources and training.

In collaboration with our members in the Agriculture Sector, we launched the “Flowers of Hope” Project, by sending flowers that would otherwise have been wasted to our existing and new markets in Europe, and later to our local hospitals. The idea was to spread a message of hope and compassion, as well as maintain the existing markets and attracting new markets in Europe.

Working together with our manufacturing firms, we spurred local production of personal protective equipment (PPEs). This involved the reconfiguration of factories and production lines to produce PPEs, with a daily capacity of over one million metres of polypropylene and the provision of over 240,000 litres of ethanol for production of hand sanitizer. Local manufacturers and SMEs through strong linkages have greatly benefited from the local production of PPEs and essential products.

In addition, through a collaborative venture that brought together our Health Sector Board – the Kenya Healthcare Federation (KHF) -and the Bolt Digital Taxi Services, we launched a project with a true human face -the Wheels of Life Program to assist expectant mothers access hospitals and other health services during curfew hours.

On the social front, KEPSA has been pursuing numerous partnerships to help respond to the needs of businesses and membership organizations, to ensure that the businesses keep running during this period of the pandemic as well as after.

KEPSA LEGISLATIVE WINS 2020

6

LAWS
ENACTED

17

BILLS PENDING
ENACTMENT

5

DRAFT BILLS
& POLICIES

Most of our proposals made during engagement with the government underpinned by the KEPSA Economic Management Framework for Covid-19 Response were adopted in the presidential speeches, where the government extended support to KEPSA to cushion businesses, re-energize the economy and protect jobs. The ten months-long economic stimulus measures that started in April 2020 included 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, reduction of Turn-Over Tax from three to one percent, expedited payment of pending bills and VAT refunds, reduction of CBR from 8.25 to 7 percent and Cash Reserve Ratio from 5.25 to 4.25 percent to ease liquidity.

The government also allocated KES 56.6 Billion budget for different sectors under the President's Eight-Point Economic Stimulus Programme, and began phased re-opening of the economy from July 2020 including resumption of domestic and international flights, reopening of schools, among others. This followed our Roundtable with the NDICCC in May 2020 from which KEPSA embarked on developing Private Sector Protocols for reopening of the economy. Triumphantly, these protocols were considered and adopted by the Ministry of Industrialization, Trade and Enterprise Development as part of the Guidelines for Business Operations during Covid-19 period.

LEGISLATIVE AGENDA

In keeping with our legislative engagements to bring about business, economic and political reforms, we continued with our engagements with both Houses of Parliament in different Committees to provide input into Bills that affect private sector. We managed to engage on six laws that were enacted in the 2020/2021 financial year with KEPSA's input. We also provided inputs into 17 Bills that are pending enactment; and took part in formulating five draft Bills and Policies that are pending tabling in Parliament. Furthermore, KEPSA engaged in pushing for operationalization of key Regulations for the Digital Health, taming Bribery, supporting MSMEs and environmental management.

KEPSA managed to engage on the following laws that were enacted in the 2020/2021 financial year with KEPSA input:

1. **Finance Act, No. 8 of 2020;**
2. **Tax Laws (Amendment) Act No. 2 of 2020;**
3. **Business Laws (Amendment) Act No. 2 of 2021;**
4. **Crops (Tea Industry) Regulations 2020 (Legal Notice No. 97 of 2020);**
5. **The County Outdoor Advertising Control Act, 2020**
6. **Sectional Properties Act 2020**

KEPSA also engaged on the following Bills that are pending enactment:

1. Pandemic Response and Management Bill 2020 (Senate Bills No. 6 of 2020)
2. The County Licensing (Uniform Procedures) Bill 2019 (Senate Bills No. 17 of 2019)
3. Prompt Payment Bill 2020 (Senate Bills No. 3 of 2020)
4. The Investment Promotion Bill 2020 (Senate Bills No. 8 of 2020)
5. Public Finance Management (Amendment) Bill (Senate Bills No. 3 of 2019)
6. Start Up Bill 2020 (Senate Bill No. 16 of 2020)
7. The National Aviation Management Bill 2020 (National Assembly Bill No. 18 of 2020)
8. The Basic Education (Amendment) Bill, 2020 (Senate Bills No. 10 of 2020)
9. The County Vocational Education and Training Bill 2020 (Senate Bills No. 14 of 2020)
10. The Street Vendors (Protection of Livelihood) Bill 2019 (Senate Bills No. 10 of 2019)
11. The Community Health Services Bill 2020 (National Assembly Bill No. 30 of 2020)
12. Breastfeeding Mothers Bill 2019 (National Assembly Bill No. 74 of 2019)
13. Mediation Bill 2020 (National Assembly Bill No. 17 of 2020)
14. The Nairobi City County Finance Bill 2020
15. Local Content Bill (Senate Bills No. 10 of 2018) (Bill Discontinued)
16. Natural Resources (Benefit Sharing) Bill (Senate Bill No. 31 of 2018) (Bill Discontinued)
17. Income Tax Bill, 2018 (National Assembly Bill No. 12 of 2020) (Withdrawn)

Other draft Bills and policies that KEPSA took part in formulating that are pending tabling in Parliament include:

1. The Sustainable Waste Management Bill 2020;
2. National Sustainable Waste Management Policy;
3. Memorandum for review of the Environmental Management and Coordination Act (EMCA);
4. Kenya Customs Agents and Freight Forwarder Bill 2020;
5. Paramedic Practitioners Bill 2019;

Regulations

KEPSA has engaged the office of the Attorney General on the gazettment and operationalization of the Digital Health Regulations and Bribery Regulations.

The E-health regulations are anchored under Section 103 and 104 of the Health Act 2017 to provide for the collection, use, management and disclosure of personal health information, health service delivery through M-Health, E-learning and telemedicine, E-waste disposal, and health tourism.

Bribery Regulations are of interest to private sector as Section 9 of the Bribery Act 2016 gives both public and private entities a duty to have in place procedures for the prevention of bribery and corruption.

KEPSA has also engaged the Micro & Small Enterprises Authority on gazettment and operationalization of its draft regulations under Section 53 and 74 of the Micro and Small Enterprises Act 2012, which regulations will cater for the procedure to be followed for MSMEs to access financing from the fund established under the Act, among other issues.

KEPSA took part in developing the draft Environmental Management & Co-Ordination (Extended Producer Responsibility) Regulations, 2021 and made submissions to Parliament on the Traffic (Transport Network Companies) Rules 2020, VAT (Digital Marketplace) Regulations 2020 and the Income Tax (Digital Service Tax) Regulations 2020.

Petitions

1. KEPSA successfully petitioned 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 has since been codified into Statute through the Business Laws (Amendment) Act No. 2 of 2020.
2. In April 2020, KEPSA 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 to discuss issues affecting the Lands Registries and Digitization of Land Records & Processes. The Senate Standing committee on Lands, Environment and Natural Resources sent KEPSA its report on KEPSA's petition on the closure of Lands Registries and other administrative challenges on 28th September 2020. Key recommendations in the report included:
 - a. The Lands Registry to develop a plan for phased digitization of records in the Lands Registries falling within the entire Nairobi Metropolitan Area. The plan should ensure that no Land Registry is fully closed at any one time and that the plan be published to all stakeholders and members of the public at least fourteen (14) days before the commencement of the phased digitization.
 - b. The Cabinet Secretary Ministry of Lands and Physical Planning and county governments to waive all penalties and fees that would be caused by delays in the Lands Registries as a result of the digitization process.
 - c. The Ministry of Lands and Physical Planning to develop guidelines for stakeholder engagement within three months of the tabling of the Senate Report.
 - d. The Ministry of Lands and Physical Planning to urgently addresses the annulment of the Land Registration (Electronic land Transaction) Regulations, 2019 so as to ensure that the Regulations are in place prior to launching the National Lands Integrated Management System (NLIMS).

Amendments to the Employment Act. 2007

The KEPSA board received an overview of possible amendments to the Employment Act 2007 with a proposal to set up an ad hoc committee from FKE, KAM, KBA, LSK etc., to come up with proposals to amend the labour laws in Kenya to comply with the Constitution of Kenya, market realities and best international practices. The board adopted the proposal and agreed to work with the mentioned BMOs to champion the exercise under the leadership of Mr. Allen Gichuhi.

Draft Bills under the BBI Report

KEPSA takes cognizance of a number of draft Bills under the Building Bridges Initiative (BBI) Taskforce report that are of interest to private sector. These include:

1. The Prompt Payment Bill 2020 that seeks to provide a legal framework for the prompt payment of invoices for goods and services procured by public entities and mechanisms for settling disputes over invoices.
2. The Public Participation Bill 2020 that seeks to provide an effective public participation framework both at the National and County Government level.
3. The Micro and Small Enterprises (Amendment) Bill 2020 that seeks to amend the Micro and Small Enterprises Act, 2012 to give youth-owned enterprises a seven-year tax break, and to establish business incubation centers across the country for the purposes of providing business advisory services, which includes access to capital and Government contracts.
4. The Health Amendment Bill 2020 that seeks to amend the Health Act to establish the Health Services Commission which shall make recommendations to the national government on national policies for management of health care workers, monitor implementation of national policies for management of health care workers by county governments and set and regularly review norms and standards on health matters.

While these Bills are still mere proposals subject to the passing of the BBI at a referendum (subject to Court directives over the BBI Initiative), it is worth noting that their contents are similar to Bills currently before Parliament which KEPSA is engaging on even as the BBI process is running concurrently.

REMARKABLE ACHIEVEMENTS FOR SECTOR BOARDS

Below is a summary of the sector board engagements and key achievements between May 2020 and April 2021.

1) AGRICULTURE, LIVESTOCK & FISHERIES



Key Engagements during the Year

- ▶ The Sector Board held 9 meetings between ASNET and KEPHIS and 21 bi-weekly meetings with PS State Department of Livestock
- ▶ The Sector Board engaged with ASNET on the development and subsequent launch of ASNET Strategic Plan held on 11th December 2020
- ▶ The Sector Board engaged AGRA in development of funding proposal to support institutionalization of ASNET. Resultantly, on March 2021, AGRA awarded ASNET a grant funding to be administered through the Country Agribusiness Partnership Framework in collaboration with the Ministry of Agriculture
- ▶ The Sector Board engaged horticulture value chain BMOs in developing a joint memorandum on the implementation of the Horticulture Crops Regulations (2019) which imposed a fourfold increase in cess levies on exporters of horticultural commodities. This matter has been escalated to the NDICC for consideration
- ▶ The Sector Board engaged TPSF, Agriculture Council of Tanzania and PSFU in the development and subsequent launch of the Agribusiness Confederation of East Africa (ACEA) online marketplace which took place on 19th May, 2021
- ▶ The Sector Board participated in a Public-Private partnership survey mission to establish the capacity of aflatoxin surveillance at the Namanga border post held on 29th September 2020. The mission was aimed at ascertaining the gaps in aflatoxin surveillance, prevention and control as well as identifying mitigation mechanisms to improve food safety, investments and ensure the safety of trade and market agricultural products.
- ▶ The Sector Board held a meeting with United States Soybean Export Council and International Service for the Acquisition of Agri-Biotech Applications (ISAAA). The meeting which took place on 8th December, 2020 sought to identify key market destinations for Soybean produced locally
- ▶ The Sector Board held a roundtable meeting with Kiambu Governor and Chairman of COG Agriculture committee H.E. Dr. James Nyoro to discuss implementation of ASNET strategic Plan, signing of ASNET-COG MoU and provision of capacity support to Counties in their implementation of their County Integrated Development Plans (CIDPs).
- ▶ The Sector Board held a Tea Industry Crisis meeting with member on March 2021 to discuss the challenges bedevilling the sector and agree on a position paper
- ▶ The Sector Board convened a meeting with the French Ambassador to Kenya to discuss Covid-19 impact on the floriculture businesses and possible interventions. Among the key resolutions from the meeting was the need to convene a matchmaking B2B forum between floriculture players in France and Kenya to jointly develop strategic interventions towards the sector growth.

Major Achievements

- i) Launch of the ASNET Strategic Plan – following the launch of ASNET on February 2020, ASNET launched its strategic plan on December 2020 to guide implementation of its activities and resource mobilization.
- ii) Operationalization of ASNET organs and committees - ASNET has operationalized all its organs which meet periodically to address topical issues affecting agriculture. Key ASNET PPP engagements operationalized include;
 - ▶ Biweekly ASNET-Ministry of EAC meeting
 - ▶ Monthly ASNET-Ministry of Agriculture meeting
 - ▶ Monthly ASNET-KEPHIS meeting

- iii) Partnership between GIZ and ASNET - the GIZ-ASNET partnership entails support to ASNET through institutional strengthening and implementation of the GIZ youth in agribusiness project targeting youth agribusinesses in western region.
- iv) Award of AGRA CAP-F grant support to ASNET - the grant will be used in operationalizing implementation of the Country Agribusiness Partnership Framework (CAP-F) to reinforce linkage between the agriculture players and the CAADP based NAIP agenda.
- v) Establishment of ACEA to enhance regional agribusiness - at the regional front, ASNET has engaged the EA peers in formation of the Agribusiness Confederation of East Africa (ACEA) which brings together national apex agribusiness organizations in East Africa to have a common and unified voice. ACEA Memorandum and Articles of Association have already been formalized and is set to be domiciled at the EABC offices in Arusha, Tanzania. Registration process is ongoing in Tanzanian. ASNET Chair is the Chair of ACEA.
- vi) Lift of the of ban on maize imports from Uganda and Tanzania - as a result of advocacy by ASNET, on 5th March 2021, the Agriculture and Food Authority (AFA) lifted the earlier ban that was un-procedurally placed on maize imported from Uganda and Tanzania.
- vii) Submission of the KEPISA Position paper on the US-Kenya FTA Negotiations - with inputs from members, ASNET/KEPSA prepared and submitted a position paper on the US-FTA negotiations.
- viii) Lift of the 2019 ban on Kenya's Carnation imports by USA - because of the private sector advocacy, US has allowed importation of previously banned Carnation from Kenya without any further restrictions including post entry quarantine. Requirements the cuttings would need include phytosanitary certificate and registration of places where carnations will be produced.
- ix) Payment of millers - as a result of KEPISA/ASNET advocacy, the Government has released the outstanding payment for 5 millers so far. ASNET is still following up with the Government to release the residual payment owed to millers.
- x) Accreditation of warehouses - with advocacy support from ASNET/KEPSA, the Government has fast tracked the accreditation of warehouses to implement the Warehouse Receipt system. Further, EAGC, an ASNET member has been accredited to conduct tests on maize. Plans are also underway to accredit seed (potato) and rice warehouses.
- xi) Lift of the ban on export of Avocadoes - Because of ASNET/KEPSA advocacy support, the Horticulture Directorate allowed the resumption of export of Fuerte variety on February 15, 2021 followed by Hass on March 8, 2021 after a four-month ban imposed on the two varieties. The Horticulture Directorate had imposed the ban on November 2020 to curb exportation of immature fruits.
- xii) Roll out of the E-voucher inputs scheme - ASNET/KEPSA with inputs from stakeholders has been advocating for liberalization of inputs supply and implementation of the E-voucher system to streamline modalities of procurement and distribution of fertilizer. Towards this end, the Ministry has adopted the trial program of the E-voucher scheme currently implemented in 12 Counties with focus on cereal crops. The Government has also called for expression of interest for agro-dealers service to supply quality input to farmers through the e-voucher subsidy management system.
- xiii) Development of Aflatoxin management strategy - following the challenge of prevalence of high levels of Aflatoxin in cereal crops, KEPISA /ASNET advocated for the development of long-term strategy to comprehensively address the challenge. Towards this end, the Ministry in collaboration with the private sector developed the Aflatoxin management strategy set to guide the sector and prescribe legislations to be adhered by the practitioners.
- xiv) Election of KEPISA member as the chairperson of the Warehouse Receipt Council - with advocacy support from KEPISA, the current KEPISA Agriculture Sector Board/ASNET Vice Chair, Ms. Jane Ngige, was elected as the chairperson of the Warehouse Receipt Council inaugurated on 29th July 2020 to facilitate implementation of the Warehouse Receipt System Act which was gazetted on 18th June 2019. The council is conducting an inventory of various warehouses and the government has committed funds to refurbish the warehouses.
- xv) Release of VAT owed to the sector - KEPISA successfully advocated for the release of Kshs.10 billion in VAT refunds owed to the horticulture sector, which constituted to over 60% of the tax claims owed by KRA to flower export firms. The refunds significantly boosted liquidity for the horticulture and floriculture sector amid cash flow challenges caused by the COVID-19 pandemic.

2) DEVOLUTION & PLANNING



SENATE LIAISON COMMITTEE RETREAT
OCTOBER 29-30, 2020

Key Engagements during the Year

- ▶ 3 Sector Board Meetings.
- ▶ 1 Engagement with Nairobi Senator on Nairobi City County Round Table.
- ▶ 1 Senate Leadership Retreat.
- ▶ 1 Council of Governors' Covid-19 Virtual Conference and Launch of County Social Economic Re-Engineering Strategy
- ▶ 1 High Level Political Forum (HPLF) of the United Nations on Sustainable Development Goals
- ▶ 1 Parliamentary Caucus on Resource Mobilization for Implementation of Sustainable Development Goals SDGS Annual Dialogue
- ▶ 2nd National SDG Stakeholders Conference themed, "A Decade of Action Reaffirming Collective commitment to SDGs and Rebuilding from Covid-19 Pandemic,"
- ▶ KEPSA engagement in the Preparatory Meetings for the 7th Annual Devolution Conference
- ▶ Engagement with UNDP and UNCTAD on, "Enabling Policy Framework for Enterprise Sustainability and SDG Reporting".

Major Achievements

- i) Development and presentation of Private Sector Voluntary National Reporting, complimenting Kenya's 2nd VNR Progress Report on Implementation of Sustainable Development goals during the UN High Level Political Forum.

- ii) Coordination of Private Sector Nominees for the National Award on SDGs; The winner was Kenya Breweries Limited; 2nd and 3rd Runners up were Safaricom Limited and KCB Group
- iii) Resolutions touching on Sector Boards advocacy made during the Council of Governors COVID 19 Conference, resolved that:
 - ▶ Both levels of government will institutionalize the strong intergovernmental relations exhibited during COVID 19 period for enhanced service delivery of service delivery on health, agriculture
 - ▶ That the Kenya National Bureau of Statistics and County Departments of Statistics shall generate quality usable data for evidence-based planning and budgeting
 - ▶ That both levels of government will mainstream climate change within annual budget to promote resilience.
- iv) Webinar to increase awareness of private sector on, "Unpacking Third Revenue Sharing Formula for Business,"

3) EAST AFRICAN COMMUNITY



KEPSA MEETING WITH AMB. DAN KAZUNGU
JANUARY 19, 2021

Key Engagements during the Year

- ▶ 3 Sector Board meetings
- ▶ 2 Technical Working Group meeting between KEPSA and MoEAC
- ▶ 2 Ministerial Stakeholders Forum

Major Achievements

1. Extension of COMESA Preferential Trade Agreement: Following the expiry of COMESA trade protocols in December 2019, KEPSA members have been facing challenges when importing goods with all COMESA entries and importers asked to pay requisite duties for their goods to be allowed into the Country. Against this background, KEPSA successfully advocated for the stay of application order on originating goods imported from COMESA with effect from 1st January 2021, granted by EAC secretariat vide the gazette notice No.17 of 15th September 2020.
2. Mutual recognition of COVID-19 certificates: Successfully advocated for mutual recognition of COVID-19 certificates and restocking of testing reagents to curb trucks traffic snarl-up at border points which has significantly reduced since then.
3. Extension of window on importation of maize: To avert possible shortage of maize for human and animal feeds, KEPSA successfully advocated for extension of window on importation of maize during the month of May 2020. This was done through correction of gazette notice earlier issued to accommodate correct standard's specification on aflatoxins and extension of import window to 31st July 2020.
4. Adoption of the Open sky policy by Kenya: On 8th October 2020 the Cabinet approved the establishment of the EAC seamless Airspace as a progressive step towards adoption of the Open Sky policy and seamless air transport envisaged by the EAC trading bloc
5. Resolution of NTBs affecting Kenyan businesses regionally: To address perennial NTBs affecting Kenyan businesses in Tanzania, KEPSA organized a meeting with the Tanzania High Commission to escalate the key market access concerns raised by the Kenyan private sector players
6. Constitution and operationalization of Technical Working Groups between KEPSA and Ministry of EAC to address topical policy issues affecting regional trade: As a follow up of the EAC affairs MSF meeting held on November 2020, KEPSA has constituted joint thematic working groups with the Ministry of EAC to address policy and legislative issues affecting regional trade
7. Training of private sector on the World Trade Organization Trade Facilitation Agreement (TFA): To deepen the private sector understanding on the principles and objectives of TFA, KEPSA in partnership with the Ministry of Trade conducted an induction training for the private sector on the roles of the National Trade Facilitation Committees (NTFCs) and the TFA protocols

4) EDUCATION



EDUCATION SECTOR BOARD MEETING

Key Engagements during the Year

- ▶ The Sector Board leaders met with the Kenya Universities and Colleges Central Placement Service (KUCCPS) CEO to discuss the implementation of a self-sponsored portal to facilitate placement of students to private Technical and Vocational Institutions. The meeting agreed on private colleges to updating the courses they offer alongside their respective capacities and clearly state their fee in preparation for on-boarding to the portal. KUCCPS and KEPSA would partner in programs that facilitate the socioeconomic development.
- ▶ The Sector held an engagement with Higher Education Loans Board which agreed to form a partnership that would see the formulation of a revolving fund in high impact economic sectors with high demand for skilled human capital. This will see that the various sectors contribute towards the training of skilled human capital leading to the national development goal of having more skilled citizens.
- ▶ The Sector held an engagement with the Principal Secretary for TVET to discuss the implementation plan for the OdEL platform in the TVET sub-sector.
- ▶ The sector held an engagement with TVET CDACC to validate the framework for the Competency Based Education Training framework. The framework provides an all-inclusive reference for information on Competency Based Assessment and Certification process right from registration of candidates up to award of certificates to candidates declared competent.

Major Achievements

1. Facilitation of e-learning for education continuity

- ▶ KICD through its website has since provided content for online learning for the national curriculum and radio lessons have been made available for free. Some schools have successfully managed to shift to online learning. There has also been an increase in content producers.
- ▶ KPSA launched an e-learning program called 'Masomo lendelee, Linda Mwalimu' program to help 2.4 million students in basic education.

2. KEPSA representation at the Education COVID 19 committee

- ▶ The Committee submitted to the Cabinet Secretary recommendations the best national response for the sector amidst COVID. The committee was re-constituted in September to consider and propose new dates for re-opening and propose modalities of who opens first; propose how best to recover the lost time.
- ▶ We have since seen the physical resumption of Learning for Grade 4 class 8 and form 4 students from October 12th.
- ▶ International curriculum students were allowed to physically sit their October-November exam series.
- ▶ International students studying in Kenya arrived without any hurdles reported and resumed learning physical learning in the re-opened classes
- ▶ Members engaged the Ministry of Education during a stakeholders' conference on July 30th. The meeting focused on the effects of re-opening TVET institutions, teacher training colleges, and universities; Protocols to be adopted to prepare trainers before re-opening. Following this engagement;
 - i. TVET institutions were allowed to undertake new admissions online and colleges started implementing the various Learning Management Systems.
 - ii. Inspection of colleges on the set Standard Operating Procedures (SOPs) and further partial re-opening of the subsector with TVET trainers reporting back to institutions from 28th September 2020.

- iii. KASNEB revised its rules to allow for flexible exams; moving exams from twice a year to four times a year. Meaning students will attain their qualifications in shorter periods.

3. In the front of data-led advocacy;

The Taskforce on enhancing access, relevance, transition, equity, and quality for effective curriculum reforms in June compiled all forms of data on Kenyan educational institutions from early childhood centers (ECD) to university; all details can now be accessed from a database domiciled at MOE. KEPSA is represented in the task force.

4. On 13th October Kenya was admitted into the World Skills International

KEPSA though the sub-sector sits in the program steering committee that worked on Kenya's bid. World Skills is an effective mechanism for the development of professional education and access to leading technologies in the field of Production of Service. World Skills Measure excellence and encourage many of the young ones to turn their passions into professions.

5. KEPSA was appointed to the technical committee on establishing OdEL for TVETs.

The initiative by UNESCO is to assist in bridging the digital divide and promote online education both in public and private institutions. KTTC is the home of the OdEL platform and the KNEC curricula continue to be realigned for the platform. Training for TVETs across counties was done.

5) ENERGY AND EXTRACTIVES

Key Engagements during the Year

- ▶ The Sector board engaged held two engagements with Ministry of Energy. The engagements focused on the implementation of the Energy Act 2019 especially in the development of subsidiary legislations, ensuring stability of KPLC and working on a framework on how to remove the taxes that were added to the sector through the Tax Laws Amendment Act 2020 and the Finance Act 2020. This is mostly on the Renewable sector.
- ▶ The Sector board had five Petroleum and Mining Ministerial Stakeholders Forums. The Forums were looking into the challenges affecting the Extractives Sector and Petroleum sector (Upstream Petroleum and Mid & Downstream



Petroleum). Among the things discussed during the meeting were the incentives to private sector for development of Liquefied Petroleum Gas Storage facilities, development of the Oil Jetty, removal of VAT on LPG, Lifting of the Moratorium on issuance of Mining License among others.

- ▶ We had a Mining Roundtable which was focusing on the issues affecting the mining sector. Several things were agreed during the roundtable among them being the formalization of the Joint Working Groups with the Ministry of Petroleum and Mining, continue issuing licenses to mining companies which already have ongoing operations in the country as the cadaster continues to be cleaned and the co-existence between the artisanal and small-scale miners (ASM) & large-scale operators
- ▶ We had an engagement between the sector board leaders and KPLC Senior Management. The meeting was a courtesy call to the new KPLC Managing Director (MD). The meeting was aimed at introducing the MD to the various issues affecting the private sector and for the sector board leaders to understand various challenges facing KPLC and how they are handling them.
- ▶ We engaged the Energy and Petroleum Regulatory Authority (EPRA) with the aim of discussing the key issues affecting both the energy and petroleum sector in the country. Among the issues discussed was development of regulation to operation the Energy Act 2019 and Petroleum Act 2019, lack of commencement of new power projects and energy cost in power consumers.
- ▶ The Sector Board engaged the Nairobi Metropolitan Directorate of Energy to understand their plan for the energy sector in Nairobi and to establish areas of collaboration.
- ▶ We held engagement with parliamentary departmental committee on Energy to discuss issue of taxes on the renewable and agree on a framework on how the introduced taxes can be reversed.

Major Achievements

- ▶ The Kenya Bio-Energy Strategy (2020-2022) was launched late last year. The strategy is meant to promote sustainable production, distribution and utilization of bioenergy as a clean source of energy.
- ▶ The formation of Bio-Energy Strategy Implementation Committee where KEPSA is represented.
- ▶ The development and launch of the Kenya National Energy Efficiency and Conservation Strategy. The strategy aims to foster the use of less energy to produce goods and services without compromising quality and quantity.
- ▶ The development of 12 Midstream, Downstream Petroleum regulations as proposed in the Petroleum Act.
- ▶ Formation and formalization of the Mining Sector Joint Working Groups with the Ministry of Petroleum and Mining which will be looking into the issues affecting the Mining sector in Kenya.
- ▶ Formation of a Taskforce to Review of Power Purchase Agreements and come up with proposal to address the concerns of all parties.
- ▶ The application of VAT on Liquefied Petroleum Gas was pushed to July 2021 from July 2020.

6) ENVIRONMENT, WATER AND NATURAL RESOURCES

Key Engagements during the Year

- ▶ 4 Sector Board Meetings and 3 Sector Board Leaders' Meeting
- ▶ 2 Engagement with Principal Secretary - Ministry of Environment and Forestry
- ▶ 4 Private Sector Consultations on Extended Producer Responsibility Regulations
- ▶ 3 Webinars through a Tripartite collaboration with World Bank's 2030, Water Resources Group (2030 WRG) and Ministry of Water, Sanitation on "Accelerating Private Sector Participation in Water Sector in Kenya"

State Department and Agencies

- ▶ 5 Engagements with Climate Change Directorate (CCD) as follows:
 1. Stakeholders workshop on Conference of Parties 26 Resolutions,
 2. National Validation of Green House Gas Emissions Inventory,
 3. Private Sector Workshop on Review of Kenya's Nationally Determined Contribution
 4. First Progress Report of the National Climate Change Action Plan II (2018 – 2022).
 5. Training on Reporting on implementation Status of the NCCAP 2018-2022 online reporting
- ▶ KEPSA Consultation with Ministry of Environment and Forestry Taskforce on Draft Forest Policy
- ▶ KEPSA Consultation with Multiagency Team on Mapping Verification and Valuation of all Mature and Over-mature Forest Plantations.
- ▶ Three (3) Workshops under the National Treasury and Planning: Green Growth and Climate Change Unit on Development of Green Fiscal Incentives Policy Framework
- ▶ Engagement with Kenya Maritime Authority on Plastic Pollution Awareness Campaign in three regions: Ukunda, Nairobi and Malindi.

County Engagement: Nairobi Metropolitan Services (NMS)

- ▶ One (1) Engagement with Nairobi Metropolitan Services Directorate of Environment Water and Sanitation.
- ▶ Fortnight meetings with Nairobi Metropolitan Services Circular Economy Committee on Piloting of Sustainable Waste Management Action Plan.
- ▶ Six (6) Nairobi County Organic Waste Pilot Working Meetings.

Climate Business Information Network- Kenya Engagements



- ▶ 3 Capacity Building Workshops of Private Sector on Integrating Climate Change Adaptation in Business Models, Climate SMART Agriculture, Adapting the Built Environment by Design
- ▶ 2 Awareness Creation Webinar on Building Back Better through Climate SMART Agriculture Global Trends on Private Sector Engagement in Climate Change Adaptation.

Major Achievements

- i) The National Climate Change Action Plan (2018 – 2022), approved by the President on 28th May 2020.
- ii) Cabinet Approved for transmittal to parliament the Sustainable Waste Management Bill and Policy on 25th February 2021.

- iii) Nairobi County Sustainable Waste Management Action Plan completed with KEPSA input
- iv) Development of the Public Private Partnership Framework for Organic Waste Management completed with KEPSA input
- v) Classification of Bamboo as a scheduled crop under the Crops Act (No 16 of 2013) to foster commercialization of bamboo as part of the Greening Campaign.
- vi) Finalization of the guidelines on the ban of single use plastics in protected areas with KEPSA contribution as a member of the technical committee. The ban came into effect on 4th June 2020.
- vii) Submission and Consideration of Waste Collection and Recycling Protocols for the Governments Guidelines for Business Operations During Protocols COVID 19.
- viii) Finalization of National Validation and private sector engagement in the development of the Extended Producer Responsibility Regulations.
- ix) Upward Review of Kenya's Nationally Determined Contribution (NDC) Target from 30% to 32% for the abatement of GHG emissions relative to Business-as-Usual Scenario of 143 Metric tons of Carbon Dioxide Emissions.
- x) NEMA went live on E-citizen and clients can now make payments of licenses/permits without having to walk to bank and back to NEMA offices for receipts.
- xi) Operationalization of the Climate Business Information Network Kenya as one stop shop for private sector engagement in climate change adaptation.
- xii) Capacity building of private sector on Building Resilience by Mainstreaming Climate Change in Business Models and Value chain: Training on Enhancing adaptation and resilience of agricultural food systems in Kenya and Integrating Climate Change Dimensions in the Built Environment.

7) GENDER AND YOUTH



Key Engagements During the Year

- ▶ **12 Sector Board and 24 Sub Sector Board meetings**
- ▶ **5 engagements with the Ministry of Public Service and Gender**
 - 1. 3 National Gender Sector Working Group Meeting
 - 2. 4 Socio Economic Empowerment and Financial Inclusion Gender Sector Working Group Meeting
 - 3. Planning and observing the International Women's Day
 - 4. Planning for the localised Commission on the Status of Women (CSW) 64th Session
 - 5. National Steering Committee for Action Coalition on GBV
- ▶ **1 engagement with the State Department for Youth**
 - Observation of the National Youth week culminating in the International Youth Day
- ▶ **2 engagements with Presidential Policy & Strategy Unit**
 - 1. Discussion on Gender in Employment & Labour Market in Kenya: Analysis of the Barriers and Opportunities for Young Women and Men
 - 2. Launch of Generation Unlimited
- ▶ **2 engagements with the National Gender and Equality Commission**
 - 1. Forum on opportunities for greater engagement of youth in the development agenda during and after COVID-19.
 - 2. Child pregnancies in Kenya in the context of COVID-19.

Major Achievements

- i) KEPSA through the Sector Board hosted the 2nd Supplier Diversity Summit virtually on 14th October 2020. The Summit aimed at accelerating advocacy for greater supplier diversification for increased market linkages for more women, youth and PWD – owned enterprises within the public sector, private sector, and development agency supply chains. It further sought to fast track economic integration of diverse suppliers in the supply chain to support their growth despite the COVID-19 pandemic. Following this summit, 10 KEPSA members have signed the Supplier Diversity Statement of Commitment towards ensuring diversified supplier databases.
- ii) KEPSA in partnership with Kenya Institute of Management (KIM), the Nairobi Securities Exchange (NSE) and New Faces New Voices (NFNV) are conducting a study on Board Diversity and Inclusion among the listed and private companies that will inform advocacy agenda on board diversity and inclusion.
- iii) As knowledge partners with New Faces New Voices – Kenya and Stitching Women Win, the sector advanced the agenda on “Resilience of Women's Economic Rights in Light of COVID-19” through sessions on Quality and Targeted Healthcare Systems Incorporating Gender Based Violence Services, Sustainable Employment and Entrepreneurship and Inclusive Governance and Decision Making.
- iv) KEPSA in partnership with the UON Women's Economic Empowerment Hub under the auspices of the African Women's Studies Centre co-hosted a forum on March 23, 2021 to discuss the uptake of the credit guarantee scheme (CGS) facility by women in business. Insights from this meeting will guide further advocacy and capacity development interventions.
- v) KEPSA partnered with the State Department for Gender and other stakeholders in planning and observation of the 2021 International Women's Day on March 08, 2021 under the theme 'Women in Leadership; Achieving an equal future in a Covid 19 World '. During this event, an initiative on 50 Million African Women Speak project was launched to provide a platform for capacity building, networking and market linkages for African Women in Business.
- vi) A KEPSA Rapid Gender Assessment to was undertaken to identify policy gaps within the private sector and provide insights towards the guiding development of the Private Sector Gender Policy that is underway

Gender Based Violence Advocacy Project funded by Bill and Melinda Gates Foundation;

With support from Bill and Melinda Gates Foundation, KEPSA through the Gender and Youth Sector Board is implementing a one-year (2021) private sector Gender Based Violence (GBV) advocacy project under the Generation Equality Forum - a global gathering on gender equality convened by UN Women. This project aims at carrying out a baseline survey on the prevalence of GBV in the private sector, awareness creation and advocacy work on the adoption of GBV- related policies.

Some of the project achievements so far include;

- i) KEPSA is part of the stakeholders of the National Steering Committee for Action Coalition on GBV under the Generation Equality Forum towards accelerating efforts for eliminating all forms of GBV in the country.
- ii) The Gender and Youth Sector Board, led by the Chairperson, Ms. Eva Muraya, established an a standalone GBV and Mental Health Sub Sector that seeks to provide guidance and oversee advocacy and awareness creation intervention of GBV in the private sector
- iii) KEPSA undertook the recruitment of a consultant to undertake a baseline study on the prevalence of GBV within the private sector. The inception phase of the study is concluded and data collection is underway.
- iv) KEPSA is partnering with Shared Value Africa Initiative (SVAI) towards co-hosting a business discussion webinar in Kenya on GBV and Gender Equality in June 2021.
- v) KEPSA is partnering with Telesky and Danshieshie Foundation towards enhancing awareness of the KEPSA helpline, 1196 that provides support for men and women involved in Gender Based Violence within the private sector.
- vi) KEPSA released a press statement condemning the HomeBoyz Radio program that sought to glorify the acts of GBV on 30th March 2021 and called upon all businesses in the Private Sector and beyond to play a role in building a morally upright society for the benefit of generations to come.

8) HEALTH

Key Engagements During the Year

In the year 2020, the KEPSA Health Sector Board, operating under the auspices of the Kenya Healthcare Federation (KHF) engaged as follows;

- ▶ 5 general members' meetings, 12 committee meetings and weekly virtual Covid-19 response meetings held between March to September 2020
- ▶ Held Health Sector Round up meeting on 10th Dec 2020
- ▶ Engagement with 8 County Governments (Nairobi, Machakos, Nyeri, Uasin Gishu, Kiambu, Nakuru, Mombasa, Kajiado, Migori)
- ▶ 2 engagements with the Senate
 1. Senate Ad Hoc Committee on the Covid-19 Situation in Kenya
 2. Senate Standing Committee on Health
- ▶ 2 Ministerial Stakeholder Forum (MSF) and a courtesy call to the Health CS
- ▶ Held a virtual AGM 6th August 2020
- ▶ Met with the Kenya Medical Training College (KMTTC) CEO and the Principal of University of Nairobi College of Health Sciences to forge potential partnerships

Major Achievements

- i) **Resources Mobilization:** KEPSA through its Health Sector Board – the Kenya Healthcare Federation (KHF), handed over Personal Protective Equipment (PPE) donation to the County Government of Kajiado, Machakos and Mombasa County Governments. The PPEs worth KES. 5 Million were donated by Chandaria Foundation through the Kenya Covid-19 Fund as a contribution towards Covid-19 mitigation efforts. Additionally, KHF in partnership with Mobilized PPEs donation worth KES. 2 million sponsored by Stanbic Bank Kenya Limited to Nakuru and Kiambu Counties. Private Sector fraternity continues to contribute to Covid 19 containment through offering essential products such as Oxygen by Devki Group and Tononoka Group to the health facilities.

- ii) **Wheels for Life initiative:** This initiative was launched in partnership with KHF, Ministry of Health and other stakeholders in April 2020 to provide transport for pregnancy-related emergencies during curfew hours. The initiative continues to serve a growing number of women (8,710) cases handled so far and the program has been expanded to Uasin Gishu, Kiambu, Machakos, Nyeri, and Nakuru.

- iii) **Tele Medical Services:** In a bid to ensure continuity in provision of other healthcare services, over 40 telehealth providers were registered, mobile platforms have also been developed to enable patients' access medical services while limiting person to person contact as per the protocols. The private sector has developed Digital Healthcare Regulations to provide legal framework to Institutionalize tele – medical health services to allow faster and easier data collection for informed decision making. These are since awaiting endorsement and publication by the government.

- iv) **Training of Health Care Workers:** KHF organized a 3-day Infection Prevention and Control (IPC) Training of Trainers' program for Healthcare Workers on 8th – 10th December 2020 targeting IPC officers, Nurses, Clinicians and Lab Technicians.

- v) **Advocacy:** Private sector engagement engaged with the Ministry of Health, and the Senate Committee for Health and raised issues that require intervention of the Ministry of Health for strengthened health system for improved healthcare quality. Some of issues raised included; challenges around NHIF timely remuneration, approval of contracts, and accreditation of new facilities and services; multiple regulation of Laboratory equipment and reagents by KLMTTB and PPB, Vaccine importation, Digital Health Regulations and Public Private Partnership through the Wheels for Life Initiative to which MOH representatives responded.

- vi) **Trade Delegations:** KHF Hosted the Tunisia Health Alliance Delegation in Kenya on 14th - 17th December 2021. The main objective was to understand the healthcare markets, dynamics and public & private actors in the sub-segments (medical device, Pharma, education, services); and the Kenya-Japan Healthcare Business Webinar with the aim to introduce Japanese healthcare-related business plans, technologies and services to Kenya and to have feedback on their feasibility on 26th February, 2021

9) INFORMATION, COMMUNICATIONS AND TECHNOLOGY (ICT)

Key Engagements during the Year

- ▶ The Sector Board held 2 meetings with the Senate Standing Committee on ICT to discuss the various legislations affecting the sector and are as follows: The ICT Practitioners Bill, 2020, Film Bill, the start-up Bill, Funding the critical Infrastructure policy which is currently at Ministry of Interior. The second meeting was an invite by the committee to KEPSA to attend the Senate Standing committee induction held in Mombasa where the sector board made a presentation on legislation matters relating to taxation in the sector. They include: VAT – 16%, Internet Data tax 1.5% per transaction, Excise duty on Internet data - 15%, Income Tax through the Finance Act - 30% tiered, The Value Added Tax (Digital Marketplace Supply) Regulations, 2020 and the Income Tax (Digital Service Tax) Regulations 2020.
- ▶ The Sector Board held 4 meetings with Kenya Bureau of Standards to discuss Fibre to the building standards (FTTBs) which will cover all buildings, including those for residential, commercial and industrial uses. Further to this, a concept note was developed by the sector and sent to KEBS for review.
- ▶ The Sector Board held a meeting with Senator Sakaja to discuss the Start-up Bill which recognises the rapid growth that the start-up ecosystem has experienced in Kenya and cites. The Sector Board supported this Bill and if passed, it will foster and encourage growth and innovation to the start-ups in Kenya.
- ▶ The Sector Board held 2 meetings with the new Data Commissioner to discuss aspects the Data Protection Act, 2019 as well as attending a launch by the office of the Data Commissioner where they produced a report of the first 100 days in office.

Major Achievements

- i) The newly established Office of the Data Protection Commissioner (ODPC) launched a new website and logo which will allow Kenyans to perform a number of things as per the ODPC mandate e.g. reporting of data breach, filing a complaint or report a concern right from the website. It also contains info on data protection rights, how to exercise them and its principles. It also includes resources like the general guidelines and its data protection statement.
- ii) KEPSA received signed petitions from members which aim to suspend the proposed ICT Practitioners Bill which were then presented to the Parliamentary departmental committee on Communication, information and Innovation.
- iii) The ICT Sector Board met with Senator Sakaja on the proposed Start-up Bill 2020 which aims to acknowledge start-ups in Kenya that occupy the technology space innovation hubs and incentivize and de-risk investors that are keen on investing in Kenya and setting up a fund to aid investing in start-ups.
- iv) Recommendations made by the ICT Sector Board on the CA type approval process were reviewed and adopted by the Communications Authority of Kenya.
- v) The Sector Board also submitted input towards the Digital Economy Blueprint document that seeks to leverage the internet, mobile, and other technologies to grow Kenya's vibrant Digital Economy and ensure its optimal contribution to the national development, socio-economic growth, employment, and public welfare.
- vi) The ICT Sector Board was nominated by the Ministry of ICT to sit in the selection panel for suitable candidates for appointment as members of the Communications and Multimedia Appeals Tribunal.

10) INDUSTRIALIZATION AND TRADE



Key Engagements during the Year

- ▶ 3 Sector Board meetings
- ▶ 2 Engagements with KRA
- ▶ 2 Engagements with NMS
- ▶ 2 Meetings with Kenya Railways
- ▶ 2 Meetings with National Treasury
- ▶ 2 Engagements with Special Economic Zones Authority
- ▶ 3 Engagements with the State Department of Trade
- ▶ 1 Meeting with the National Assembly- Departmental Committee on Trade, Industry, and Cooperatives.
- ▶ 1 Meeting with Nairobi County
- ▶ Engagement with CoG Trade Committee (Preparation of the Devolution Conference)

Major Achievements

- i) Business continuity during the Covid-19 pandemic, ensuring the provision of curfew and lockdown passes for manufacturers of essential goods and services; the SB, through KAM has worked with the Ministry of Trade and Industrialization to develop the operating procedures, principles and protocols for the full reopening of the economy.
- ii) Assisted KEBS in formulating the standards of locally manufacturing PPE, woven masks, ventilator design, gumboots to assist in the fight of the Corona pandemic.
- iii) 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.
- iv) The sector was part of the joint committee on the Kenya- UK- FTA negotiations which saw Kenya and the United Kingdom formally signed a trade agreement in London.
- v) Engagement with KPA, KRC and KRA to unblock the delays in clearance of goods and congestion at the port hindering the movement of cargo. The state agencies agreed to enhance clearance to safeguard cargo owners from paying unwarranted huge costs (storage charges and demurrages) that are attributed to system inefficiencies.
- vi) A partnership with KEPROBA is ongoing, aimed at developing and strengthening cooperation in the field of trade development & promotion with a view of creating more opportunities for trade and investment for the Kenyan business community by diversifying Kenya's export basket and opening new markets for Kenyans.

II) TRANSPORT AND INFRASTRUCTURE

Key Engagements during the Year

- ▶ The Sector Board has held two Transport and Infrastructures Ministerial stakeholders' forum within the period. The meeting focused on streamlining the air cargo sector and the road transports.
- ▶ The Sector board held a meeting with the Principal Secretary (PS) of EAC and Regional Affairs to discuss issues related to transport that are affecting cross-border trade.
- ▶ The sector board members also participate in by-weekly meeting which are chaired with PS for EAC and Regional Affairs Dr. Kevit Desai.
- ▶ We have had several joint meetings with KRA, KPA and Kenya Railways with the aim of improving efficiency both at the Port of Mombasa and Inland Container Depot in Nairobi.
- ▶ We have engaged Nairobi Metropolitan Service Transport, Road and Public Works with key focus on decongesting Nairobi, installation of intelligent traffic lights, and development of proper Non-Motorized Transport (NMT) infrastructure around the cities and reduction of packing fees for trucks.
- ▶ We held two engagements with Parliamentary Departmental Committee on Transport, Housing and Public Works. One was focusing on a petition that had been brought before National Assembly on forced haulage of cargo through rail from Mombasa to Nairobi and the other engagement was focusing on the National Aviation Management Bill 2020.



Major Achievements

- i) The establishment of the Kenya Transport and Logistics Network (KTLN). The network brings together Kenya Ports Authority (KPA), Kenya Railways Corporation (KRC) and Kenya Pipeline Company Limited (KPC) under the coordination of the Industrial and Commercial Development Corporation (ICDC). It is aimed at lowering of the cost of doing business in the country through the provision of port, rail and pipeline infrastructure in a cost effective and efficient manner, and within acceptable shared benchmark standards.
- ii) The extension of the free days period from 4 days to 5 days to clear cargo both at ICD Nairobi and Port of Mombasa for 90 days period. The extension has been done twice during the restriction of movement period.
- iii) The removal of verification surcharge fee on compliant customers. KPA initially used to charge a verification surcharge fee of \$80 and \$120 for 20 feet and 40 feet respectively on all verified containers to mitigate any risk of mis-declaration by cargo owners.
- iv) Revocation of Legal Notice on restriction of goods which can be cleared into a Bonded Warehouse by KRA.
- v) The completion of the second phase of Standard Gauge Railway from Nairobi to Naivasha.
- vi) The revamping of the Nairobi Nanyuki Railway Line.
- vii) The Launching of the Commuter Rail Transport around the Nairobi Metropolitan as way of decongesting the city.
- viii) Development of framework on truck drivers Covid-19 testing to ensure there no delays in the boarders.
- ix) Development of the Kenya Railways Transit Shed. This is a customs facility located at Kenya Railways Nairobi Bomaline Yard. This facility will assist in decongesting Nairobi Inland Container Depot.

12) LANDS AND PHYSICAL PLANNING

Key Engagements During the Year

- ▶ The Sector board held two engagements with the Ministry of Lands and Physical Planning in the review period. The key focus was the digitalization of the Land Registry which members in the sector board have been taken through the National Land Information Management System (NLIMS) to give their input before its official launch.
- ▶ The Sector board held an engagement with the Ministry of Transport, Infrastructure, Housing and Urban Development with a key focus being issues of urban planning and development of sustainable cities.
- ▶ The sector board participated in the launch of National Land Commission Strategy.
- ▶ We had an engagement with National Construction Authority (NCA) regarding the National Building (Building Code), Regulations 2020.

Major Achievements

- i) The Development and the Launch of the National Land Information Management System. NLIMS will enhance the integrity of Land transaction in the country.
- ii) Gazettement of the Stamp Duty (Valuation of Immovable Property) Regulations 2020 which gives property buyers the option of using Government Valuers or hiring an approved private valuer, to undertake stamp valuation.
- iii) Enactment of the Section Properties Amendment Act 2020. The Act provide for the division of buildings into units to be owned by individual proprietors and common property to be owned by proprietors of the units as tenants in common, to provide for the use and management of the units and common property and address the contemporary challenges associated with ownership of property in a sectional property environment.
- iv) Withdrawal of the Land Registration (Amendment) Bill, 2020 by the National Assembly as per the private sector proposal.
- v) The appointment of a Taskforce to Review the Survey Sector, Legal, Policy and Institutional Framework. The sector board Vice Chair is the Chair of the Taskforce.
- vi) Development of harmonized manual to guide the public through the title deed conversion process.

13) PUBLIC FINANCE

Key Engagements During the Year

The Sector engaged KRA in two Tax Round Tables one in 20th October 2020 and 28th April 2021. Further through the sector board the KEPSA board engaged the KRA board. The meeting discussions mainly focussed on;

- ▶ Increasing revenue collection and expand the tax base without overburdening the current tax payers;
- ▶ Create changes within the current tax regimes and structures to accommodate and support Small and Micro Enterprises development and growth; and
- ▶ Establish partnerships in improving compliance through addressing the administrative tax hurdles that private sector is facing

Through the Sector Board, KEPSA engaged the Central Bank of Kenya thrice in the year. The engagements were after the Monetary Policy Committee meetings. The resilience of the Kenyan financial sector amidst the COVID-19 pandemic was noted in the meetings. Key achievements of the CBK were noted to be;

- ▶ Maintaining the stability of the financial system – when Covid-19 hit, our banks were well capitalized to cushion the economy and allow some relief to borrowers by restructuring their loans.
- ▶ Introduction of new currency in efforts to curb corruption and money laundering.
- ▶ Supporting uptake of digital financial technologies, which continues to help during the pandemic period.

KEPSA being part of the critical stakeholders into the formation of the budget submitted the below budget priorities in response to the Public Notice on the National Treasury website dated October 9th, 2020. KEPSA further met the National Treasury on 16th March 2021 to articulate the proposals that had been submitted.

Major Achievements

- i) The Sector Board has been engaging the National Treasury on the implementation of the National Credit Guarantee Framework to support SME non-collateral financing. The Cabinet on 10th September 2020 approved the establishment of a Credit Guarantee Scheme with an initial seed capital of Ksh. Ten Billion to be capitalized in two tranches of Ksh. 5 Billion in FY 2020/21 and FY 2021/22. The Participating Financial Institutions (PFIs) mainly banks have expressed interest in the scheme as requested by National Treasury. The implementation of the scheme is expected to start soon.



- ii) The Sector board engaged the National Treasury in March to provide oral submissions to the input shared by KEPSA members to be included in the Finance Bill 2020. The following wins were recorded in the Budget Statement 2020;

| THEME | KEPSA'S ASK | 2020/21 BUDGET PROVISION |
|-------------------|---|---|
| Jobs Protection | Boost the 'Buy Kenya and build Kenya' to try save 5.1M jobs at high risk of being lost if current economic situation does not improve in the short term | <ul style="list-style-type: none"> ▶ Ksh 1.9 billion provision of at least 250,000 locally fabricated desks for secondary and primary schools. ▶ Ksh 500 million to supply 20,000 locally made beds and beddings to public hospitals ▶ Ksh 25 million to support establishment of 50 modern walkthrough sanitizers at our border points and main hospitals across the country. ▶ Ksh 850 million to cater for rehabilitation of wells, water pans and underground tanks in ASAL areas using local labour; ▶ Ksh 1.0 billion to support flood control using local labour in the most affected areas ▶ Ksh 850 million to cater for rehabilitation of wells, water pans and underground tanks in ASAL areas using local labour. |
| Social Protection | Provide cash transfers to additional populations made vulnerable due to COVID 19 pandemic. | <ul style="list-style-type: none"> ▶ Reengineering of the Access to Government Procurement Opportunities (AGPO) portal to enable real-time registration and transparent monitoring of the implementation of the scheme. ▶ Ksh 715 million for the Kenya Youth Empowerment and Opportunities Project |
| Flowers of Hope | Use excess airline capacity to deliver flowers, tea, coffee, and other critical exports to affected countries in Europe and Africa as a generous gift from Kenya. | <ul style="list-style-type: none"> ▶ Ksh 1.5 billion to assist flower and horticultural farmers to access international markets during this period when we are experiencing low cargo traffic in and out of the country |

| THEME | KEPSA'S ASK | 2020/21 BUDGET PROVISION |
|---|---|---|
| Pending Bills and VAT Refunds | National and County Governments to clear all pending bills fully. | <ul style="list-style-type: none"> ▶ Additional Ksh 10.0 billion allocated ▶ The National Treasury to withhold exchequer releases to the MDAs or SAGAs with pending bills, until an approved payment plan for all pending bills is agreed upon |
| Health and safety to reduce risk of transmission. | Hire more Health Care Workers and mobilize retired health workers to support | <ul style="list-style-type: none"> ▶ Ksh 1.2 billion proposed for the recruitment of an additional cohort of 5,000 healthcare workers to support local health staff for a period of one year |
| Tourism | <p>Use hotels as containment/ quarantine centers, or refurbish as emergency hospitals.</p> <p>Apply a 12-month moratorium on Tourism Levy.</p> <p>Increase KTB budget for PR and marketing; Promote domestic and regional tourism sources as a mid-term measure</p> | <ul style="list-style-type: none"> ▶ Temporary lifting of ban to hold meetings in private hotels by Government Agencies. ▶ Waiver of landing and parking fees at Kenyan airports. ▶ Provision to aggressively boost promotion of post Covid-19 tourism marketing. ▶ Ksh. 3 Billion for hotel refurbishment through soft loans to be channelled through the Tourism Finance Corporation. |

14) SECURITY



Key Engagements during the Year

- ▶ The Sector Board held 1 meeting with Ministry of Health and Kenya Healthcare Federation on the aspect of contact tracing and how the security sector can plug in and assist Ministry of Health on the same.
- ▶ The Sector held 2 meetings with the United Nations Development Programme (UNDP) who approached KEPSA intending to support COVID-19 related activities after receiving a grant of 62 million dollars from the Japanese government to support 18 countries in the production of Personal Protective Equipment's (PPE's) and sensitization of the business community.

Major Achievements

- i) As a result of the ongoing Covid-19 pandemic and the rising number of crime rates in the country, The KEPSA Security Sector Board developed a crime statistics template to help collect information from the Security Associations to help monitor crime trends and have a clear picture of what measures can be taken to reduce crime rates.
- ii) The National Counter-Terrorism Center (NCTC) developed a Nairobi County Action Plan document to Prevent and Counter Violence Extremism of which the Sector Board Chairman was incorporated in the validation process which took place on September 29th, 2020.
- iii) Courtesy of Jon Hopkins University, KEPSA Security Sector Board members undertook a course on contact tracing to help them understand what it is and how they can take the necessary precautions in their places of work.
- iv) The Kenya Security Congress launched the HODI HODI Application which will be used to enhance the security of commercial and residential buildings. The Private Security visitor management application will also prove vital in the COVID-19 screening, tracing capabilities, and reducing crime rates in general.
- v) Courtesy of the Security Sector Board and Ministry of Health (TOT's), Seneca East Africa was able to train 500 security guards on COVID-19 compliance and best work safety practices.
- vi) The National Counter-Terrorism Center (NCTC) trained a total of 320 individuals on Counter-Terrorism awareness.
- vii) The Private Security Training Academy (PSTA) in partnership with KEPSA trained a total of 3,720 individuals on the online return-to-work schedule which targeted training of individuals on safety protocols they should consider amidst the COVID-19 pandemic. Among those trained were KEPSA staff who benefitted from the same.
- viii) Both Chair and Vice-chair of the Sector board were incorporated into the United Nations Development Programme intending to support covid-19 related activities for Private Sector. A proposal was done on the same.

15) SPORTS, ARTS AND CULTURE

Key Engagements during the Year

- ▶ The Sector Board held several engagements with Ministry of Sports, Culture and Heritage to come up with Mitigation measures of reducing the impact of COVID 19 to the Sports and Creative Sector.
- ▶ KEPSA partnered with the Sports, Culture and Art Sector Board Vice Chair, Ms June Gachui in the celebration of the 2021 World Intellectual Property (IP) Day.
- ▶ The Sector Board engaged with Health Passport Worldwide to discuss how we can use health passport in the sports sector.
- ii) Development of guidelines on the reopening of Sports after closure due COVID 19.
- iii) Inclusion of Kenya Safari Rally into the International Automobile Federation World Rally Championship 2021.
- iv) Development of a stimulus programme to support both the sportspersons and creative sector people who were heavily affected by Covid 19.
- v) The Government has invested heavily this year in the construction and renovation of both creative and sports infrastructure which will promote growth in the sector.
- vi) Setting up a sports medical consortium to help fight Covid-19 in sports by the Ministry of Sports, Culture and Heritage. The consortium will formulate a bubble training and containment method and also draw up team travel and event preparation protocols.

Major Achievements

- i) Formation of three Joint Working Committees on Sports, Creative and Legal with the Ministry of Sports, Culture and Heritage which will be addressing key issues from the sector.
- vii) Establishment of Normalization Committee to coordinate affairs of Cricket Kenya for a period of Six Months. KEPSA is represented in committee.

16) TOURISM, TRAVEL & HOSPITALITY



COVID-19 PROTOCOLS WORKSHOP FOR BUSINESS OPERATORS IN TOURISM AND HOSPITALITY SECTOR (MOMBASA) - FEBRUARY 17, 2021

Key Engagements during the Year

- ▶ Engagement with Office of the President on Impact of Covid-19 Protocols to the Sector
- ▶ Engagement with Principal Secretary-Ministry of Tourism and Wildlife to discuss Status and progress of sector.
- ▶ Tripartite Forum of Kenya Wildlife Service, Kenya Tourism Federation and Tourism Regulatory Authority on Enforcement of regulations on KWS National Parks and Reserves
- ▶ Engagement with Kenya Utalii College Taskforce
- ▶ Engagement with Immigration Officials on Streamlining of Visa Fees and online application of E-Visa.
- ▶ Kenya Airports Authority Engagement on airports and airstrips works expansions
- ▶ Engagement with Sector Unions to review Covid-19 Memorandum of Association Position
- ▶ Engagement with First Tourism Strategy Reference Group under the Ministry of Tourism and Wildlife.
- ▶ Stakeholder Validation of Tourism Policy

County Engagements

- ▶ Mombasa County Government Engagement on County Licenses' and Levies during the Covid-19 pandemic.
- ▶ Participation in Afri-Cities Stakeholders Forum led by Kisumu County

Major Achievements

- i) 5,000 Covid-19 vaccine jabs were set aside for Tourism frontline workers.
- ii) Flights approval from Romania with 116 Tourists on Board: Switzerland removed from the list of countries required to undergo mandatory quarantine.
- iii) Committee was formed for enforcement of Tourism Regulatory Authority (TRA) Regulations in the Parks and the sector in general.
- iv) Partnership with Rwanda Development Board (RDB) Rwanda, Rwanda Chamber of Tourism and Kenya Tourism.
- v) Federation on East Africa Tourism Platform (EATP) for business and leisure travel in the East Africa Community Region.
- vi) Adoption of the FREE PLASTIC PARK Campaign in the industry.

Public Policy, Research & Analysis

EVIDENCE BASED ADVOCACY



September/October COVID-19 Impact Survey: Assessing COVID-19 Impact on Businesses, Jobs and Opportunities for faster Recovery

Following the outbreak of COVID-19 in 2020, the department conducted four surveys in March, April, May-June and September-October to assess the impact of the pandemic on businesses. The findings informed KEPSA's proposals for interventions by government and private sector to cushion businesses under a KEPSA Economic Management Framework for COVID-19 Response. Engagements with government led to unveiling of a number of Economic Stimulus Measures – both fiscal and monetary to the end of the year including interventions on key challenges such as business logistics and continuity during the pandemic.

Below is a summary of the September/October survey findings:

- ▶ The Survey was conducted between 14th September and 15th October 2020 attracting 428 respondents from all sectors of the economy. 43 percent of the businesses represented were micro, 14 percent small, 9 percent medium and 35 percent large firms. Construction and Professional services had the largest number of respondents.
- ▶ **COVID-19 Impact:** 50 percent of the businesses surveyed reported high or very high negative effect compared to 74 percent in the May/June survey. Across the business categories, Micro enterprises were the most impacted with 64% reporting high or very high negative compared to 50% of small and medium sized enterprises and 33% of large firms. Sector wise, tourism and education remained the worst hit sectors due to the containment measures locally and abroad.
- ▶ **Sources of impact:** For majority of businesses (66%), the biggest challenge faced was loss of customers/drop in sales, 54% experienced increased financial challenges, 46% high cost of operation and 42% reduced labour productivity inability as well inability to meet financial obligations such as paying employee salaries.
- ▶ **Financially,** Majority of businesses (48%) reported moderate losses of 10-50 percent of their 2019 revenues and only 34% of firms had incurred over 50 percent losses compared to 63% in May/June survey. Across the different size categories, Micro enterprises were the worst hit financially with 59% reporting over 50 percent losses compared to 13% among large firms.
- ▶ **Business closure:** 50 percent of the surveyed businesses had remained open throughout the pandemic while 37 percent of the ones that closed down during the period had reopened.

- ▶ **Employee retention:** 58 percent of businesses had retained all their employees while 4% hired more. Medium and small size categories had the highest number of businesses reporting no retrenchments at 81% and 77% respectively. In the large category, 53% reported no retrenchments with 10% hiring more but in the micro category only 47% reported retaining employees. Wholesale & Retail Trade, Tourism, Education and Construction had the highest number of lay-offs at 75%, 67%, 57% and 48% respectively. No retrenchments were reported in Finance and Insurance sector while agriculture had 83% retaining employees. Environment and Manufacturing sectors had 13% of businesses hiring staff as well 8% in Energy and Professional services. For businesses that let go of employees, 59% provided severance package, 32% offered outplacement support and 14% reskilling programmes.
- ▶ To mitigate the negative effects of COVID-19 and ensure continuity, 70% of businesses reported reducing expenditure on non-core business activities, 47% temporarily suspended new investment/ expansion plans while 34% adopted use of e-commerce/ other online technologies for continuity.
- ▶ **Recovery Process:** Overall, 54% of the respondents expect to have recovered fully by end of 2021 while 24% expect to recover by 2022. However, 21% were not sure when their businesses/ organizations will recover fully.
- ▶ **Government interventions:** Reduction of VAT and removal of inter-county movement restrictions were the most beneficial interventions for 48% and 43% of businesses respectively. Others were reduction in PAYE and corporate tax that were most beneficial to 38% and 35% of the businesses respectively.
- ▶ **New opportunities:** 35% reported seeing new opportunities as a result of COVID-19 ranging from online opportunities to manufacture of new products, etc.
- ▶ In terms of skills, 22% of businesses had permanently retrenched at least one job due to COVID-19 but 35% had new roles for which they were hiring. 52% reported having challenges hiring technology skills and 35% soft skills. In the next one to five years, most businesses (54%) indicate they plan to hire more on contract/gig/consultants, 52% plan to hire permanent/ fulltime roles while 41% will hire interns.

E-Commerce Booster Program

- ▶ On 25th February 2021, KEPSA launched an E-Commerce Booster Program with support from TradeMark East Africa (TMEA) funded by European Union and UK's Foreign Commonwealth Development Office. The program aims to support at least 2,000 SMEs gain digital skills and build capacity to operate in the digital market-space. By end of April 2021, over 2,500 SMEs had expressed interest in the program. Implementation is ongoing with technical assistance provided by Amari Consulting and the program is expected to run for a period of 5 months.
- ▶ It has three components targeting the domestic market by on-boarding SMEs onto existing digital platforms locally, overseas e-market platforms and strengthening the digital marketing capabilities of the SMEs. A consultant, Ngamia Haulers Ltd, was engaged to develop digital content/tools for the program and has since submitted the first project delivery report which includes a Self-Assessment Kit, Digital Starter Packs, Industry Digital Guides, Digital Marketing Manual and E-Commerce/online Factsheets. The tools will be used to support SMEs build the necessary skills and capacity to engage in e-commerce and digital marketing. A Web Portal is under development through which the tools will be accessible.



Development of business competitiveness agenda:

At the beginning of the year, KEPSA developed its 2021 Strategic Focus document which identifies five key pillars to guide its operations towards accelerated economic recovery. The pillars include Governance, Sustainability, Social Pillar with a focus on women, youth and enterprise development, Business Hub and Public Private Dialogue (PPD) pillar which focusses on competitiveness as part of the business environment reform agenda. The new competitiveness agenda will mirror the advocacy work KEPSA has done on Ease of Doing Business reforms since 2013 and a proposal has already been presented to EU partners for support.

2020 KEPSA Membership Satisfaction Survey

- ▶ The survey was conducted between December and January 2020 attracting 99 responses from 36 BMOs, 35 Corporates, and 27 SMEs and Start-ups. From the report, 87% of the respondents expressed satisfaction with KEPSA overall professionalism, 80% were satisfied with the assistance to them while 79% agreed that their questions, inquiries and needs were responded to in a timely manner by KEPSA.
- ▶ On **business support**, 66 percent had benefited from advocacy on issues affecting their businesses, 51 percent business information, 32 percent business linkages, 28 percent training and 22 percent mentorship. In addition, 15% had received support during Covid-19 period (Essential stickers, face masks, PPEs, etc.) while 6% had benefitted from financing.
- ▶ **Advocacy platforms:** Sector-boards were the most popular platforms attended by 67% of the respondents, Tax Roundtables 45%, MSF's 28% and Parliamentary committees 21%. Overall, 75% percent of the respondents reported that use of technology had increased their participation compared to 19% that said technology had no effect on their participation rate. 78% had their issues addressed through the various PPD platforms (mostly tax related issues) with 52% of these being conclusively addressed.
- ▶ **Business/investment forums:** Despite the pandemic, 52% of the respondents had managed to attend business forums organized or co-organized by KEPSA where 44% said they managed to forge partnerships.
- ▶ In terms of communications, 89% were satisfied or very satisfied with KEPSA publications as a source of information. The weekly bulletin was rated the most informative followed by the daily media watch, message from the CEO and updates on advocacy wins.

KEPSA Employee Survey 2020

- ▶ In the wake of the Covid-19 disruption on workplace procedures, KEPSA adopted a hybrid system allowing employees to work from home or office, and increased virtual engagements for staff and members. With desire to improve the HR processes and make KEPSA an organization of choice, a short survey was launched in December 2020 to gather views from its employees on effectiveness of the hybrid system, challenges faced and the best approach to improve employee productivity and workplace safety in 2021 and beyond the pandemic.
- ▶ From the findings, most employees preferred the hybrid system. Besides reducing the risk of Covid-19 exposure, working from home enabled employees to optimize their time by eliminating the daily commute and allowing time to focus. The employees acknowledged the support received from KEPSA to facilitate their work from home particularly on communication. 50 percent felt they were more productive working from home compared to the office, 41% felt equally productive and 9 percent felt less productive. However, some challenges in implementing the system were noted including the potential impact on employee relationships and organizational culture, decision making and information sharing, among others.

Development of a Position Paper on the Naivasha Inland Container Depot

In June 2020, KEPSA in partnership with the Shippers Council of Eastern Africa embarked on a study funded by Trademark East Africa to develop a position paper that would inform and advice on the best way to optimize the utilization of the Naivasha Inland Container Depot, reduce inefficiencies and cost of logistics.

Support to other departments through research, preparation of seminal papers, presentation materials, speeches, etc.

a) Other research work/surveys that the department has supported in undertaking:

- ▶ Tracking Progress in payment of pending bills and VAT refunds (August 2020),
- ▶ Participation in drafting research proposal with SME Project team on youth employment and sectors of high job creation potential – (February 2021),
- ▶ Input into the KEPSA Strategic Focus 2021: Emerging Economically Stronger Together document.
- ▶ Digitizing the KEPSA Rapid Gender Assessment Tool (December 2020), Business Process Outsourcing Survey by Ajira Digital team (January 2021), Kenya Plastics Pact survey and Circular Economy Survey by Sustainable Inclusive Business (March and April 2021).
- ▶ Wezesha Youth Placement Programme (April 2021),
- ▶ Data updates for Covid-19 weekly meetings.

b) High level engagements supported in preparing KEPSA representation between January and May 2021:

- ▶ KEPSA Meeting with the Secretariat of the IEBC Selection Panel on 11th May, 2021 at Serena Hotel, Nairobi. Topic: Effective Management of Elections: Perspectives from the Private Sector.
- ▶ The Kenya – Tanzania Business Forum held on 5th May, 2021. Theme: Promoting Trade, Tourism and Investment between Kenya and Tanzania within the East African Community Customs Union Framework.
- ▶ The Dutch Fund for Climate and Development (DFCD) Scalable Climate Solutions Challenge - Kenya event on 6th May 2021. The challenge was in search of business models that provide climate-resilience and large-scale impact in Uganda, Kenya or Bangladesh for funding to a tune of € 350K in each country.
- ▶ Zoom Webinar on “Kenya's Debt and the Economy: Increasing Foreign Debt in a Declining Economy” held on 30th April 2021.

- ▶ Thought Leadership Webinar by Oracle and College of Human Resource Management (CHRM) held on 29th April 2021 where KEPSA was participating in a panel on “Adopting in Business Post-Covid; Technology as the entry pass into new business frontiers”
- ▶ KEPSA and P4G workshop on “Achieving Kenya's Green Ambitions: Scaling Sustainable Industrial Clusters” on 28th April 2021. The planned Oserian Two Lakes Industrial Park in Naivasha was introduced modelled around the concept of sustainable SEZs/industrial clusters.
- ▶ East Africa Community Business & Investment Forum 2021 on 27th April 2021 where KEPSA was speaking on the road forward to more trade, business and flow of technology between Sweden and East Africa.
- ▶ The Tax Roundtable (TRT) with KRA on 28th April 2021.
- ▶ The World IP Day celebration by JGIP consultants in partnership with KEPSA on 26th April 2021. The event sought to recognize and honor SME's in various industries that have leveraged their Intellectual Property for growth.
- ▶ Los Angeles Trade Forum on 21st April 2021 where KEPSA was invited to speak on the Business Environment in Kenya and prospects for partnerships.
- ▶ Discussion between KEPSA CEO and H.E Jane Marriott, British High Commissioner on the UK Travel Advisory to Kenya - 14th April 2021.
- ▶ Presentation during KEPSA Leadership Meeting with Chairs of National Assembly Parliamentary Committees that was scheduled for April 14 2021 (later postponed).
- ▶ MOU Signing Ceremony between KEPSA and the Canada-Africa Chamber of Business on April 14th 2021,
- ▶ The Blue Economy Webinar on 8th April 2021 where KEPSA was invited to speak on the Investment opportunities in the Blue Economy Sector in Kenya.
- ▶ Discussion paper for the Private Sector & Government Roundtable scheduled for 6th April 2021 on Response to COVID-19 Pandemic and Increasing Competitiveness for Growth, Revenue, Jobs Creations and Investments.

- ▶ Wastewater and Circular Economy Webinar on 26th March 2021 where KEPSA was represented by the Deputy CEO. It was the third in a series of webinars hosted by KEPSA, World Bank Group and the 2030 Water Resources Group aimed at accelerating private sector participation in Kenya's water sector.
- ▶ Presentation during the Open Society Initiative for Eastern Africa (OSIEA) Conversation on 24 March 2021. Topic: Lessons donors can draw from private sector in light of Covid-19.
- ▶ KEPSA Platinum Members Breakfast Meeting on 24th March 2021. Presentation topic: Key Achievements in 2020 and the 2021 Focus Areas.
- ▶ The Public Private Dialogue on Business Integrity by BCCK on 23rd March 2021 at KPMG Offices. Topic: Anti-Corruption and Market Access Initiatives.
- ▶ The UK – KENYA Joint Event on 22nd March 2021 at the Panafric Hotel. Chief guest was UK Prime Minister's Trade Envoy to Kenya, Hon Theo Clarke MP.
- ▶ KEPSA meeting with Ms. Patricia Obozuwa - Vice President Public Affairs, Communications & Sustainability, Coca-Cola Africa on 22nd March 2021. Agenda: KEPSA work and the interaction with Coca-Cola; A brief on the key issues KEPSA focuses on and some of the challenges faced and overcome.
- ▶ Launch of the SMES Conference and Expo 2021 at KICC on 18th March 2021. Chief Guest, Dr. Fred Matiang'i, the Cabinet Secretary, Ministry of Interior and Coordination of National Government and Chair of NDICCC. KEPSA showcased some of the programs it is undertaking to support SMEs.
- ▶ The UBA and Tony Elumelu Entrepreneurship Webinar on 11th March 2021. Topic: Funding options available for SMEs and positioning for funding.
- ▶ The NSE 2021 Ring the Bell for Gender Equality on 11th March 2021. Event theme: "Women in leadership: Achieving an equal future in a COVID-19 world"
- ▶ The Media launch of the SMES Conference and Expo 2021 at Nation Centre on 10th March 2021 at NMG offices.
- ▶ The Society of Women Engineers International Women's Day 2021 Virtual Event on 8th March 2021. Topic: "Leading as a Woman Engineer in a COVID 19 World".
- ▶ International Women's Day Celebration on 8th March 2021 at the Kenya School of Government. KEPSA was represented by the KEPSA Gender and Youth SB Chair.
- ▶ The Virtual Women's Day Dialogue on 5th March 2021. KEPSA was represented in a panel on: Digitalization as a pathway for empowerment and financial inclusion.
- ▶ Presentation: KENYA-UK EPA Private Sector Perspective during a consultative meeting on 3rd March 2021 (Postponed)
- ▶ The Enhancing Climate Ambition Roundtable held on 3rd March 2021 ahead of the 26th UN Climate Change Conference (COP26) scheduled to be held later in November 2021. It was organized by the British High Commission, United Nations, National Treasury and the Central Bank of Kenya. KEPSA was represented by the Chairman.
- ▶ The Danish Business Network Meeting with KEPSA at the Ambassador's Residence on 2nd March 2021. Discussion topics: The initiatives the government and private sector has put in place to ease doing business during the Covid-19 pandemic; and the outlook for 2021.
- ▶ The AGRA'S VALUE4HER Networking and Advocacy Breakfast on 2nd March 2021. Panel topic: Expanding the market place for women through strong networks and the necessary support they need from the relevant stakeholders.
- ▶ Presentation on Special Economic Zones in Kenya during the Business Ireland Kenya (BIK) - Business Breakfast on 26th February 2021.
- ▶ The Safaricom Sustainable Future Series Session on 24th February 2021.
- ▶ Presentation on Doing Business in Kenya during the Africa Day for Enterprises on February 9, 2021 – with German Chamber of Commerce for East Africa.
- ▶ Data sets on Kenya's food services industry, wholesale and retail, and logistics industry: state of the respective industries and contribution to the economy, number of establishments and Key trends impacting the industry, key drivers, restraints, and growth opportunities in the sectors – 8th Feb 2021



ROLE OF THE AVIATION SECTOR IN ECONOMIC RECOVERY POST COVID-19 - DECEMBER 9, 2020

c) Communications and media support – briefing notes for various speakers

- ▶ NTV Interview on Sustainability by KEPSA Deputy CEO in commemoration of the Earth Day on 23rd April 2021.
- ▶ Infomercial production guide on Covid-19 interventions and e-Commerce Booster Program – 16th March 2021
- ▶ Live Panel on KTN News featuring KEPSA CEO on 12th March 2021. Topic: Covid-19 a year later: Reflections on KEPSA's response to Covid-19, the future of businesses and Kenya's economy.
- ▶ KEPSA live Interview on Capital FM in Celebration of International Women's Day (IWD) Week 11th March 2021.
- ▶ Interview on Spice FM "The Situation Room" by KEPSA Deputy CEO on 10th March 2021. Focus of discussion: How KEPSA and its partners are addressing the plight of MSMEs, Youth & Women.
- ▶ Preparation of Article titled: 'PIVOTING IN HEELS' on 26th February 2021 focused on showcasing KEPSA in best light concerning last year.
- ▶ TV Interview by Patrick Obath on the Kenya- UK Trade deal on 19th February 2021. Topic: "Kenya Trade Deals Hang in the Balance".
- ▶ KEPSA CEO'S interview on Kenya's Economic Outlook – 18th February 2021. Business environment and opportunities.
- ▶ KEPSA Magazine Q1 2021 – KEPSA CEO's Foreword and Chairman's Statement. Theme: Walking a Tight Rope in 2021: Lessons from a Bad Year
- ▶ TV interview by Dr. Ehud Gachugu on the challenges that youth face in accessing the job market and what needs to be done to bridge the gap and enable more youth secure employment - 3rd Feb 2021.
- ▶ The Blue Company Promotional Video-Shoot Interview on 28th January 2020. Topic: KEPSA's role in promoting the Blue Company as the Private sector body, KEPSA view on the initiatives and training opportunities for members.

Business Hub

SUMMARY OF BUSINESS DELEGATIONS, CONFERENCES AND EXHIBITIONS



KEPSA MEETING WITH EGYPTIAN DELEGATION
OCTOBER 26, 2020

| FORUM | DATE | OUTCOME |
|--|-------------|---|
| KEPSA, Venture Lift Africa and other partners hosted a webinar on covid-19 response and recovery through export-import with the US | 07 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 | 11 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 | 15 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 | 29 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 |

| FORUM | DATE | OUTCOME |
|--|-------------------|---|
| The 127th session of the China Import and Export Fair, also known as the Canton Fair | 24 June 2020 | KEPSA Business Hub Manager attended and spoke during the virtual launch and KEPSA members were able to attend the virtual EXPO there after |
| Webinar on Private Sector Dialogue on the US-Kenya Free Trade Negotiations | 14 July 2020 | KEPSA and CCA members attended and got an opportunity to interact with decision makers from both Kenya and the US |
| Webinar on the ERTART program | 18 July 2020 | ERTART facility provides a coordinated platform of technical assistance through a highly discounted platform to target businesses involved in the three value chains; Food, Health and Education. This platform will involve technical assistance via a triage system of financial restructuring, strategy review and addressing critical operational issues businesses are currently facing. The process will be conducted in part through a match-making service that links businesses to renowned third-party services providers who have committed to providing services on COVID-related issues at highly discounted rates to KEPSA members. |
| Virtual International Rawal EXPO 2020 | 16 August 2020 | KEPSA members attended the virtual EXPO |
| Invest Northern Ireland webinar | 02 September 2020 | KEPSA members participated in online B2B meetings to look into both import and export opportunities between Kenya and Northern Ireland |
| The BPIFrance INNO Generation (BIG) Business event, Accor Arena, Paris, France | 02 October 2020 | KEPSA members attend the business forum that was graced by the President of France, Emmanuel Macron and the President of the Republic of Kenya, His Excellency |
| Uhuru Kenyatta of which also featured B2B meetings. MEDEF France hosted an exclusive luncheon in honor of President Uhuru Kenyatta during which the KEPSA Chairman made remarks. | | |
| Turkey-Africa Economic & Business Forum (Virtual) | 09 October 2020 | KEPSA members participated in the online B2B meetings with their Turkish counterparts to explore business opportunities |
| Webinar on driving efficiency and competitiveness in manufacturing through technology and innovation in partnership with the Kenya Technopolis Development Authority (KoTDA) | 27 October 2020 | KEPSA members participated in the webinar aimed at bringing together key stakeholders in the manufacturing sector to stimulate discussions on opportunities available to catapult the country's Manufacturing Sector while enhancing efficiency and competitiveness in the sector using technology and innovation. |
| Financing Webinar with U.S. International Development Finance Corporation (DFC) | 29 October 2020 | KEPSA members participated in the online meeting to learn and explore means of accessing finance. |

| FORUM | DATE | OUTCOME |
|--|------------------|--|
| KEPSA Gender & Youth Sector Board Training | 13 November 2020 | This is a session hosted by KEPSA for Women and youth led SME's with the hope of building capacity and inspiring the SME's to stay afloat during the Covid pandemic. The session was successful and was well attended by participants from the KEPSA Gender & Youth Sector Board |
| World Trade EXPO, Handloom Festival -India | 15 November 2020 | KEPSA members participated and attended the virtual EXPO as well as the B2B meetings to look into both import and export opportunities between Kenya and India |
| Ambition Africa (Virtual) | 20 November 2020 | KEPSA members participated and attended the virtual meeting as well as the B2B meetings to look into both import and export opportunities between Kenya and France |
| Asia Health 2020 EXPO | 20 November 2020 | KEPSA members participated and attended the virtual EXPO as well as the B2B meetings to look into both import and export opportunities between Kenya and the Asian continent. |
| 1st Tunisia Africa E-Business meeting | 20 November 2020 | KEPSA members participated and attended the virtual meeting as well as the B2B meetings to look into both import and export opportunities between Kenya and Tunisia |
| Training on "Unlocking SME resources during COVID-19" | 20 November 2020 | This is a session hosted by KEPSA for Women and youth led SME's with the hope of building capacity and inspiring the SME's to stay afloat during the Covid pandemic. The session was successful and well attended |
| Mentorship session on Business Continuity Planning | 24 November 2020 | This is a session hosted by KEPSA for Women and youth led SME's with the hope of building capacity and inspiring the SME's to stay afloat during the Covid pandemic. The session was successful and well attended |
| Training on "Working from Home during a pandemic" | 27 November 2020 | This is a session hosted by KEPSA for Women and youth led SME's with the hope of building capacity and inspiring the SME's to stay afloat during the Covid pandemic. The session was successful and well attended |
| Mentorship session on "Unlocking SME resources during COVID-19" | 01 December 2020 | This is a session hosted by KEPSA for Women and youth led SME's with the hope of building capacity and inspiring the SME's to stay afloat during the Covid pandemic. The session was successful and well attended |
| Webinar on key AFRIEXIM bank products and initiatives to support the AFCFTA with KEPSA members | 04 December 2020 | KEPSA members participated and attended the webinar to learn more about the key AFRIEXIM bank products and initiatives to support the AFCFTA. |

| FORUM | DATE | OUTCOME |
|--|------------------|--|
| Training on “Adapting innovation to address changes in human behavior” | 04 December 2020 | This is a session hosted by KEPSC for Women and youth led SME's with the hope of building capacity and inspiring the SME's to stay afloat during the Covid pandemic. The session was successful and well attended |
| Mentorship session on “Adapting innovation to address changes in human behavior” | 08 December 2020 | This is a session hosted by KEPSC for Women and youth led SME's with the hope of building capacity and inspiring the SME's to stay afloat during the Covid pandemic. The session was successful and well attended |
| Training to over 100 women-led SMEs on “Importance of cross training workers to make sure essential functions will continue” | 11 December 2020 | This is a session hosted by KEPSC for Women and youth led SME's with the hope of building capacity and inspiring the SME's to stay afloat during the Covid pandemic. The session was successful and well attended |
| Training to over 100 women-led SMEs on “Safety measures in the workplace during a pandemic” | 16 December 2020 | This is a session hosted by KEPSC for Women and youth led SME's with the hope of building capacity and inspiring the SME's to stay afloat during the Covid pandemic. The session was successful and well attended |
| Mentorship: Business Continuity with Dr. Bimal Kantaria, Managing Director, Elgon Kenya Limited | 29 January 2021 | This is a session hosted by KEPSC for Women and youth led SME's with the hope of building capacity and inspiring the SME's to stay afloat during the Covid pandemic. The session was successful and well attended |
| Training: Technology and e-commerce options for your business | 05 February 2021 | This is a session hosted by KEPSC for Women and youth led SME's with the hope of building capacity and inspiring the SME's to stay afloat during the Covid pandemic. The session was successful and well attended |
| Mentorship: Morning coffee with a leading young CEO in the ICT space; Priscilla Muhiu, General Manager, Glovo Kenya | 12 February 2021 | This is a session hosted by KEPSC for Women and youth led SME's with the hope of building capacity and inspiring the SME's to stay afloat during the Covid pandemic. The session was successful and well attended. |
| Training: How Investors Carry Out Risk Assessment for Long and Short-Term Funding Options | 19 February 2021 | This is a session hosted by KEPSC for Women and youth led SME's with the hope of building capacity and inspiring the SME's to stay afloat during the Covid pandemic. The session was successful and well attended |

| FORUM | DATE | OUTCOME |
|---|------------------|---|
| KEPSA Chairman Nik Nesbitt and CEO Mrs. Carole Kariuki Karuga meeting with the Regional Economic Counsellor East Africa & Indian Ocean of the French Embassy in Nairobi Mr. Jerome Baconin and his colleague Eng. Mathieu Ecoiffier, the Regional Counsellor for Sustainable Development for East Africa and the Indian Ocean and Mr. Mourad Chouiqqa, the Regional Manager Eastern Southern Africa & Indian Ocean at BPI France. | 23 February 2021 | Discussions focused on areas of collaboration between KEPSA, the French Embassy in Nairobi and BPI France with regards to opportunities for Trade and Investment between Kenyan and French businesses. |
| Mentorship Session with Mrs. Carole Kariuki Karuga MBS, HSC, CEO, KEPSA | 26 February 2021 | This is a session hosted by KEPSA for Women and youth led SME's with the hope of building capacity and inspiring the SME's to stay afloat during the Covid pandemic. The session was successful and well attended |
| Exploring SEZS & EPZS: What You Need to Know | 26 February 2021 | This opportunity was presented to KEPSA members to participate and network with the hope of exploring business opportunities |
| India Toy Fair 2021 | 27 February 2021 | This opportunity was presented to KEPSA members to participate and network with the hope of exploring business opportunities |
| P4G and PIDG – Sustainable Special Economic Zones Investor Session | 02 March 2021 | This opportunity was presented to KEPSA members to participate and network with the hope of exploring business opportunities |
| Global Bio-India 2021 | 03 March 2021 | This opportunity was presented to KEPSA members to participate and network with the hope of exploring business opportunities |
| India Telecom | 03 March 2021 | This opportunity was presented to KEPSA members to participate and network with the hope of exploring business opportunities |
| How to Effectively write grant proposals | 05 March 2021 | This is a session hosted by KEPSA for Women and youth led SME's with the hope of building capacity and inspiring the SME's to stay afloat during the Covid pandemic. The session was successful and well attended |
| Kenya Fintech Online Campaign 2021 - B2B Meeting | 08 March 2021 | This opportunity was presented to KEPSA members to participate and network with the hope of exploring business opportunities |

| FORUM | DATE | OUTCOME |
|--|---------------|--|
| Mentorship: Peer-to-peer mentorship. There was special presentation by Derek Bbanga, Regional Director, Alpha Group | 12 March 2021 | This is a session hosted by KEPSA for Women and youth led SME's with the hope of building capacity and inspiring the SME's to stay afloat during the Covid pandemic. The session was successful and well attended |
| SME Conference and Expo 2021 (SMEs resilience, recovery and sustainability.) | 18 March 2021 | KEPSA through the Business Hub supported this event organized by the Nation Media group by inviting SME members to show case their products. The event was attended by over 2000 people, had over 50 exhibiting business and was aired live from 18th March 2021 to 20th March 2021. |
| Training: How to effectively tap the exports markets for goods and services | 19 March 2021 | This is a session hosted by KEPSA for Women and youth led SME's with the hope of building capacity and inspiring the SME's to stay afloat during the Covid pandemic. The session was successful and well attended |
| Ethiopia Transport and Investment Summit | 24 March 2021 | This opportunity was presented to KEPSA members to participate and network with the hope of exploring business opportunities |
| Mentorship: Morning coffee with a leading female CEO, Lucy Karume; Trustee, The Njenga Karume Trust and Director Jacaranda (Msa) Ltd | 26 March 2021 | This is a session hosted by KEPSA for Women and youth led SME's with the hope of building capacity and inspiring the SME's to stay afloat during the Covid pandemic. The session was successful and well attended |
| Virtual printing & publishing from India fair | 30 March 2021 | This opportunity was presented to KEPSA members to participate and network with the hope of exploring business opportunities |
| Cybertech Global UAE (Dubai) | 05 April 2021 | This opportunity was presented to KEPSA members to participate and network with the hope of exploring business opportunities |
| Doing Business with Africa Symposium | 08 April 2021 | This opportunity was presented to KEPSA members to participate and network with the hope of exploring business opportunities |
| Training: Financial tools and analysis for business continuity management | 09 April 2021 | This is a session hosted by KEPSA for Women and youth led SME's with the hope of building capacity and inspiring the SME's to stay afloat during the Covid pandemic. The session was successful and well attended |
| KEPSA and The Canada-Africa Chamber of Business Memorandum of Understanding (MoU) signing ceremony | 14 April 2021 | MoU between the two organizations signed for mutual collaboration. |

| FORUM | DATE | OUTCOME |
|--|---------------|---|
| Corporate Startup Stars Awards Digital workshop | 15 April 2021 | This was a sensitization workshop inviting corporates and start-ups alike to take part in this year's corporate stars awards that recognizes businesses that support start-ups by incorporating their goods or services in their value chains. The awards will take place in September 2021 in Paris. |
| Business mentorship session with Ms. Gatwiri Karimi, Founder & CEO, In4parts Ltd | 16 April 2021 | This is a session hosted by KEPSA for Women and youth led SME's with the hope of building capacity and inspiring the SME's to stay afloat during the Covid pandemic. The session was successful and well attended |
| 6th Biennial MedInIsrael Conference and Exhibition | 20 April 2021 | This opportunity was presented to KEPSA members to participate and network with the hope of exploring business opportunities |
| High Level Virtual Kenya - Los Angeles (LA) Trade Forum | 21 April 2021 | Eleven KEPSA members took part in the session that brought together business leaders from Kenya and Los Angeles. During the B2B session, business connections were made. Notably 3 members mention of business connections they had established. |
| Training: How to assess viable business opportunities and partnerships". | 23 April 2021 | This is a session hosted by KEPSA for Women and youth led SME's with the hope of building capacity and inspiring the SME's to stay afloat during the Covid pandemic. The session was successful and well attended |
| East African Community Business & Investment Forum 2021 | 28 April 2021 | This opportunity was presented to KEPSA members to participate and network with the hope of exploring business opportunities |



SME CONFERENCE AND EXPO - MARCH 18, 2021

KEPSA Projects

MSME COVID-19 RECOVERY AND RESILIENCE PROGRAMME

Program Overview

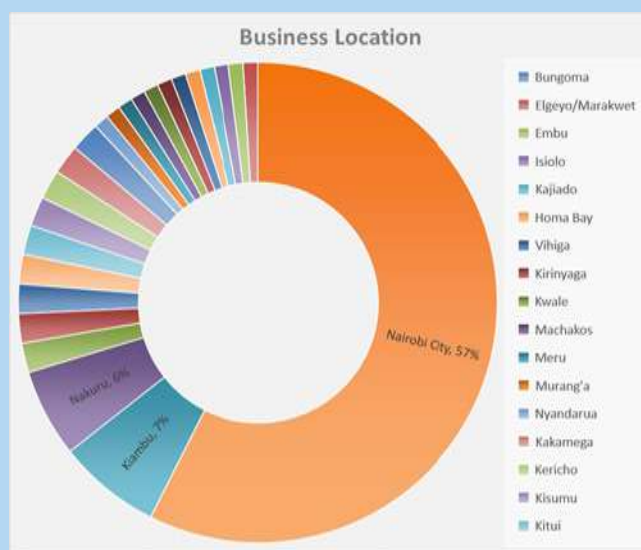
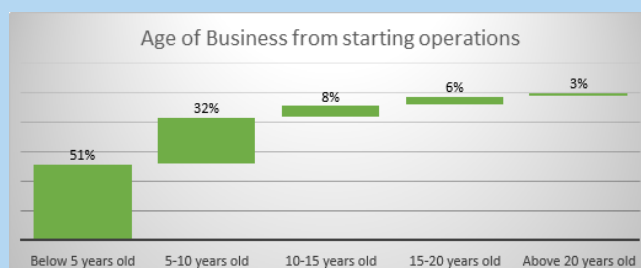
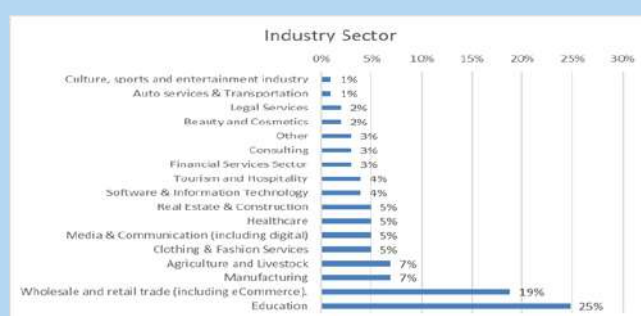
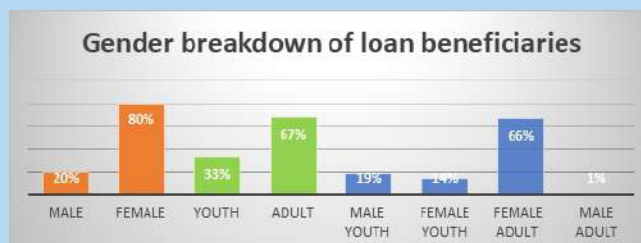
The Kenya Private Sector Alliance (KEPSA) and the Mastercard Foundation entered into a one-year partnership that aims at supporting Micro, Small, and Medium Enterprises (MSMEs) whose businesses have been affected by the COVID-19 pandemic due to prevailing market disruptions. The program targets women and youth led/owned businesses aiming to preserve jobs and businesses. The intervention is through short-term financing to businesses that find it difficult to access financing from formal lending institutions such as banks and micro-financers as well as training and mentorship sessions. The funds are managed by Grassroots Business Fund (GBF); the appointed fund manager and funds disbursed by 4G Capital.

MSME Loan Disbursements

Currently, 101 (95MEs and 6 SMEs) businesses have benefited from the loan financing amounting to KES 40,068,532 out of the over 700 applications received. 80% of loan beneficiaries are female and 20% male. Further, 33% are youths and 67% are female adults whereas 57% of the loan beneficiaries are from Nairobi County, followed by Kiambu (7%) and Nakuru (6%). Education sector is the largest beneficiary of the loan at 25%, followed by wholesale and retail sector (19%) and manufacturing sector (7%). Finally, 51% of the beneficiary businesses were below 5 years old and 32% were between 5-10 years old.

The total loan repaid is KES 6.327.406 with businesses are expected to pay within six months from when they received the loan with a final cutoff date of 30th September 2021.

The following is a graphical analysis of the loan beneficiaries.



Feedback from loan beneficiaries

Many of the businesses that have benefited from the loan facility stated that the loan issuance was timely and helped to sustain their businesses in operation. Many of the businesses have used the loan to cater working capital by paying expenditures such as rent, salaries, restocking, and implementing Covid-19 protocols.

A recording of four testimonial videos on the impact of the loan to the beneficiaries has been completed as per the links below:

- i) One Beat Music Kenya – Entertainment sector - https://youtu.be/lb_ngdvCFsw
- ii) Blue Star Academy – Education sector - https://youtu.be/h7VWkc_hmCM
- iii) Crystal River Products – Manufacturing sector - <https://www.youtube.com/watch?v=IF1uz4IDfAM>
- iv) Kioi & Company Advocates – Legal sector - <https://youtu.be/bJ49HMFJYUE>

The following are testimonial images of the loan impact from some beneficiaries:

Gibens Blessed Academy school renovation



Crystal River Products - Production of Cleaning products and sanitizers.



One Beat Music Kenya Studio set up



Kioi & Company Advocates - Set up of a Virtual legal suite



Challenges encountered during loan issuance to MSMEs

- ▶ The 3rd wave of COVID-19 has severely affecting businesses revenue levels. The lockdown and government restrictions has severely affected those in hospitality and entertainment industries forcing them to scale down resulting to very low sales income. Subsequently, the restrictions are limiting the full potential of some of the business in relation to consumer habits/power.
- ▶ The Private schools reported of low turnout of learners after reopening in January 2021. This was caused by some of the learners transferring to other cheaper private schools or opting to go back to public learning institutions as parents/guardians were faced by economic hardships as a result of COVID-19 pandemic outbreak.

Key lessons learnt during loan issuance to MSMEs

- ▶ There are many businesses affected positively and negatively by the Covid-19 pandemic and required financial support to sustain their operations through Covid-19 shocks. Although the program targeted Kenyan residents, KEPSA received applications from both KEPSA and non-KEPSA members including applicants from other countries such as Nigeria, Uganda, and Tanzania.
- ▶ KEPSA was engaging the MSMEs through social media platforms, phone calls, SMS, and emails when circulating information about the loan facility. From the feedback received, some business owners had challenges with online application due to issues around computer literacy. As a solution to this, KEPSA set up a support a physical helpdesk to assist all applicants who required physical support.
- ▶ There were many businesses that expressed interest to apply for the loan but they lacked formal registration which was one of the eligibility requirements. Therefore, there is need for more sensitization on the importance of formal business registration and compliance to other business requirements so that businesses do not miss out future opportunities.
- ▶ Many of the businesses that applied for funds exhibited challenges in financial management including record keeping, book keeping, and banking among others. Thus, some of the businesses did not qualify for the loan as they did not have appropriate records to demonstrate financial viability. Therefore, KEPSA will continue engaging businesses by providing training and forums in thematic areas to help them improve on financial management practices.
- ▶ Relationship building with the MSMEs post loan issuance has been very critical in loan repayment and advance monitoring of any chances of delayed payment. This is enhanced through continuous communication with the MSMEs through email, calls, and text messages while collaborating and sharing feedback information with the fund manager is helping track progress of loan beneficiaries and improve repayments.
- ▶ The fund manager is encouraging the MSMEs to make early repayments and even in smaller regular amounts.

CREATION OF SME PORTAL AND DATABASE



Impax Business Solutions is supporting in SME portal development. The portal has 8 modules themed around KEPSA work and thus it will greatly support implementation of KEPSA activities. The following are some of thematic areas that the portal will be supporting;

The modules developed in the portal include:

- ▶ **Opportunities module** – This will enable sharing of various opportunities targeting businesses registered in the portal. Currently, the loan applications and facemask applications are some of the successful opportunities shared to the public.
- ▶ **Communication module** – This allows two-way communication between KEPSA and portal users. The portal is able to send text and email messages with the portal users.
- ▶ **Events Management module** – This will enable management of different events organized by KEPSA. The platform allows sharing of the event details and registration of participants for both virtual and physical meetings.
- ▶ **Sustainable Development Goals (SDGs) data collection** gives portal users an alternative method to share SDG information.

Overall, the project through various activities has been able to develop a database of MSME with over 7000 businesses so far.

SURVEY ON THE SOCIO-ECONOMIC IMPACT OF COVID 19 ON WOMEN AND YOUTH-LED/ OWNED MSMEs

The survey has been completed and final report shared with KEPSA. The following is the summary of the major findings:

- ▶ Majority of women and youth businesses currently performing poorly as a result of COVID-19;
- ▶ Both young women and men in business realized significant reduction in business turnover within the pandemic period compared to the period prior to the pandemic.
- ▶ Young women enterprises were doing very well as employers, but the pandemic significantly reduced their ability of employing with 47.5% change in their employment patterns;
- ▶ Majority of businesses are highly optimistic of recovery in the next 5 months to pre-pandemic levels.
- ▶ Large majority of businesses have not received any form of business support during the pandemic; the proportion higher for young women entrepreneurs.
- ▶ Only 6.7% of women and youth businesses have received support for their businesses. Support in form of financial services, training, mentorship, market access, mental health support, government relief fund, and interest-free loans.
- ▶ Nearly all the businesses (96.7%) need a capital injection
- ▶ 98% of women and youth businesses would want to access the financial support from the KEPSA/ Mastercard Foundation's economic recovery and resilience program

Recommendations

I. *Women and youth businesses*

- ▶ Need for capacity-building activities on business recovery
- ▶ Innovating new ways of addressing COVID-19 challenges
- ▶ Registration of businesses and joining business associations and chamas (groups)
- ▶ Technological adoption in business operations
- ▶ Find ways of overcoming gender and age barriers in business.

II. *Government and policy institutions*

- ▶ Improve access to economic stimulus programs, business registration processes, and pushing various economic recovery measures to reach the SMEs level in the country
- ▶ Implement more tax measures and interventions
- ▶ Prioritize the procurement of locally-produced goods so as to promote local manufacturing, and also increase exports

III. *KEPSA and Partner Institutions*

- ▶ Financing and Liquidity Interventions
- ▶ Capacity Building and Technical Assistance on digitalization, financial management including tools for cash flow management, business re-modeling (re-strategizing).
- ▶ Links to resources and information relevant to business
- ▶ To unleash the entrepreneurial potential of women in this region.

Training and Mentorship

The following is a tabular summary of the virtual training and mentorship sessions held between January and April 2021 through zoom/YouTube:

| Forum/Session | Date | No of Participants | No of Women in % | No of Youth in % |
|--|------------------|-----------------------------|------------------|------------------|
| Mentorship: Business Continuity with Dr. Bimal Kantaria, Managing Director, Elgon Kenya Limited | 29 January 2021 | 411 | 65% | 54% |
| Training: Technology and e-commerce options for your business | 05 February 2021 | 371 | 62% | 54% |
| Mentorship: Morning coffee with a leading young CEO in the ICT space; Priscilla Muhiu, General Manager, Glovo Kenya | 12 February 2021 | 421 | 63% | 53% |
| Training: How Investors Carry Out Risk Assessment for Long and Short-Term Funding Options | 19 February 2021 | 394 | 80% | 33% |
| Mentorship Session with Mrs. Carole Kariuki Karuga MBS, HSC, CEO, KEPSA | 26 February 2021 | 457 | 63% | 52% |
| How to Effectively write grant proposals | 05 March 2021 | 495 (Zoom 370 YouTube) | 61% | 61% |
| Mentorship: Peer-to-peer mentorship. There was special presentation by Derek Bbanga, Regional Director, Alpha Group | 12 March 2021 | 795 (334 Zoom, 461 YouTube) | 62% | 59% |
| Training: How to effectively tap the exports markets for goods and services | 19th March 2021 | 488 (392 zoom 96 YouTube) | 58% | 50% |
| Mentorship: Morning coffee with a leading female CEO, Lucy Karume; Trustee, The Njenga Karume Trust and Director Jacaranda (Msa) Ltd | 26th March 2021 | 532 | 53% | 42% |
| Training: Financial tools and analysis for business continuity management | 09th April 2021 | 328 | 80% | 33% |
| Business mentorship session with Ms. Gatwiri Karimi, Founder & CEO, In4parts Ltd | 16th April 2021 | 350 | 62% | 49% |
| Training: How to assess viable business opportunities and partnerships". | 23rd April 2021 | 380 | 62% | 49% |

The charts below indicate the percentage of Women and Youth represented in these sessions

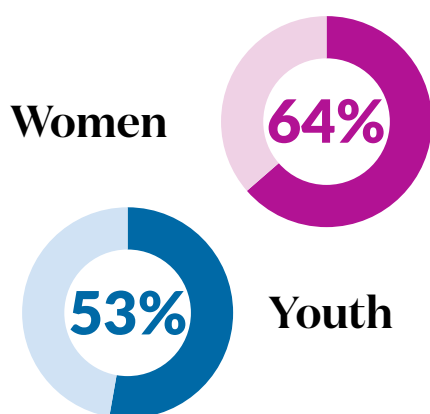


Fig 1: Percentage of women & youth represented

At the start of every training or mentorship session, a survey is carried out to establish a few things including expectation, location of participants. Below are a few charts highlighting this feedback.

The word cloud below indicates attendee representation by county. Representation has been country wide, Nairobi drawing most of the attendees. The sessions have also attracted friends from around the world, notably; Uganda, Tanzania, Rwanda, Malawi, South Africa, Nigeria, UK and USA.



Fig 2: Attendance by region

The chart below indicates how attendees receive information on the sessions and the effectiveness of the various modes of communication applied. From left; Email Communication from KEPSA, Text Message from KEPSA, Twitter, LinkedIn, WhatsApp, Facebook, Previous Session, Business Partner.

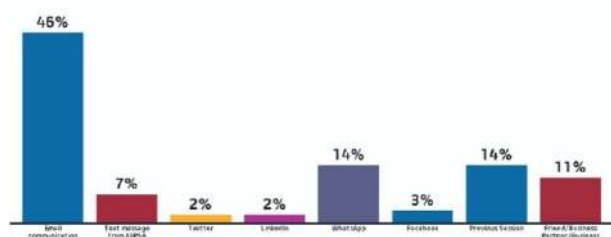


Fig 3: Communication, marketing and outreach chart

The word cloud below indicates some of the expectations highlighted by attendees.



Fig 4: Word cloud representing expectations

The images below are of mentors and trainers from select sessions.



Dr. Bimal Kantaria
MD Elgon Kenya & Chairman ASNET
offering mentorship



Linda Onyango
CEO SME Support Centre



Ms. Gatwiri Kiriimi
CEO & Founder In4parts Ltd
offering mentorship



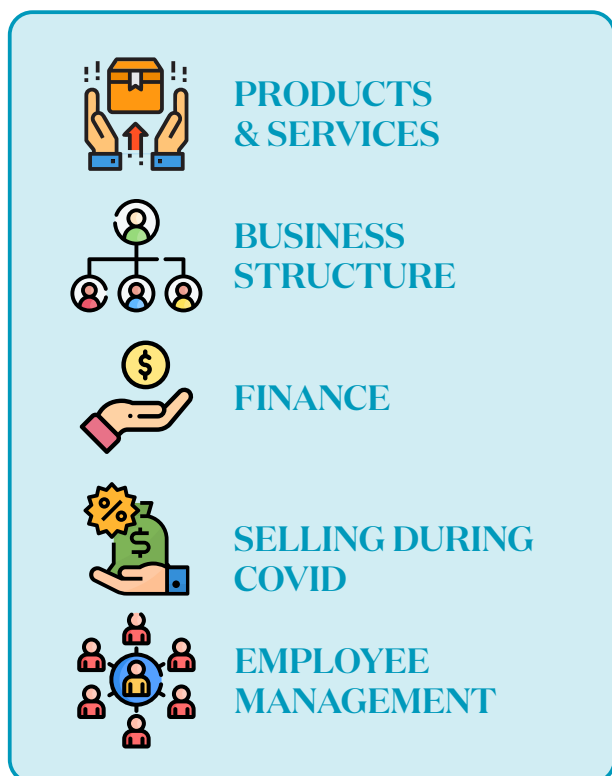
Jim Foxton
co-founder, Apps4jobs
peer to peer mentorship



Debra Mallowah
Deputy President East and Central
Africa Coca-Cola Franchise
peer to peer mentorship

TECHNICAL ASSISTANCE IN PARTNERSHIP WITH GBF THROUGH ZYDII

In partnership with Zydii Africa and Grassroots Business Fund, KEPSA is offering a Technical Assistance to the beneficiaries of the Mastercard Foundation COVID Recovery and Resilience loan program. The assistance is delivered through an online module that is both Web and SMS based. The learning covers the following key areas:



The units are aimed at helping the SMEs to cope with the challenges brought about by the pandemic. The interesting bit is that the courses can be taken at the learners' own pace, this therefore allows them to access this important value business tips while operating their businesses. It also allows those in remote areas without good internet connectivity to access the lessons free and with ease.

The program has so far been successful owing to the close cooperation between KEPSA, GBF, and Zydii. So far 92 out of the 101 loan recipients have been onboarded on to the training assessment. This represents 80% of all the loan recipients.

The intervention currently has an 88% completion rate. The entrepreneurs have also acknowledged the value brought about by these lessons offered by the Zydii Technical Assistance.

COMMUNICATION AND OUTREACH

Developing and implementing a Social Media campaign

The department launched two social media campaigns focusing on the following platforms Facebook, Twitter and LinkedIn as outlined below:

#KEPSAnaBishara: October 2020 – January 2021

The aim of this campaign was to inform the public about the Interest free loans program and answered the frequently asked questions about the program.

#KEPSAbizRecovery: November 2020 - Present

The main aim of this campaign was to highlight the weekly training and mentorship sessions aimed at equipping MSMEs with skills and knowledge on how to recover from the effects of Covid-19 and mobilize MSMEs to attend the sessions.

These social media campaigns have been characterized by consistent sharing of creative and informative content on social media accompanied by attractive visuals in the form of posters and videos.

Press Releases

Over the period, the department released two press releases as listed below:

1. Hundreds of MSMEs apply for the recovery funds as disbursement begins - 17th December 2020
2. 500 Micro, Small and Medium Enterprises hit by the COVID-19 Pandemic in Kenya to benefit from Training and Mentorship Virtual Sessions - 3rd February 2021

From this press statement, we got three media coverage from Citizen TV (Live Interview - Business Now | KEPSA: Impact of COVID-19) and The Star newspaper (published a story) and Spice FM (interview - <https://youtu.be/lmJGhef9tuE>)

Design of digital flyers and posters for mobilization of MSMEs

The department produced digital flyers which have aided in the communication and outreach efforts for this program: The following is breakdown of flyers done.

MSME Loans Program Information flyers:

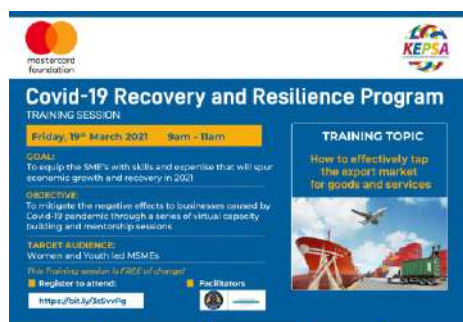
- ▶ MSME CRRP Eligibility criteria flyer – 1 piece
- ▶ Documents required for the loan application flyer - 1 piece
- ▶ Step by step application process flyer – 1 piece
- ▶ Social media messaging flyers – 38 pieces

Mentorship flyers:



- ▶ Bimal Kantaria – Elgon Kenya – 29th Jan
- ▶ Priscilla Muhu – Glovo Kenya- 12th Feb
- ▶ Carole Kariuki – KEPSA - 26th Feb
- ▶ Peer to peer mentorship & Derreck Bbanga – 12th March
- ▶ Lucy Karume – The Njenga Karume Trust – 26th March

Training flyers:



- ▶ Technology and e-commerce options for your business – 5th Feb
- ▶ How investors carry out risk assessment for long and short-term funding options – 19th Feb
- ▶ Grant funding opportunities and how to effectively write grant proposals – 5th March
- ▶ How to effectively tap the exports markets for goods and services – 19th March

Creation of Short Videos :

The department also produced several videos to inform the public more about the program and also enhance the marketing of the program by highlighting the success stories. Below are the videos done:

- ▶ MSME Covid-19 loan facility eligibility video
<https://www.facebook.com/355762534501978/videos/194481645729767>
- ▶ One Beat Music Kenya
https://youtu.be/lb_ngdvCFsw
- ▶ Blue Star Academy
https://youtu.be/h7VWkc_hmCM
- ▶ Bismart insurance
https://youtu.be/5kC_rlhKr3g

Live Webinars

We were able to conduct a total of 17 webinar meetings with Business Associations that are KEPSA members. The goal of the meetings was to mobilize the business association members to apply for the loan facility. Through these outreach activities, we were able to reach people from different sectors and from different regions in the country. The webinars were quite effective in mobilizing applicants since upon completing the webinars, there was an increase in loan applications from the business association members.

GENDER BASED VIOLENCE (GBV) PROJECT

KEPSA got into one-year partnership in January 2021 with Bill and Melinda Gates Foundation to support issues related to Gender-Based Violence (GBV). Through the partnership, KEPSA will be carrying out a baseline survey on trends and impact of gender-based violence on productivity in the private sector in Kenya, which is ongoing. There will also be training and sensitization of staff, KEPSA members and partners on GBV and protection against exploitation & abuse (PSEA) in a bid to raise awareness and understanding, promote a violence-free environment and also dignity at work.

KEPSA Foundation Projects

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.

Ajira Digital Program: Youth Development

01

SOCIO-ECONOMIC TRANSFORMATION PILLAR:



AJIRA VISIT AT CBD TRAINING CENTRE - JULY 27, 2020

The Government of Kenya, through the Ministry of ICT, Innovation and Youth Affairs (MoICTIYA) with collaboration Mastercard Foundation Young Africa Works Program, and in partnership with KEPSA and E-Mobilis rolled out the third phase of Ajira Digital Program in 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 phase aims to link 2 million youth across Kenya to digital and digitally enabled work by 2022 through implementation of five program areas;

- ▶ **Program 1 and 2** focusing on training youth with digital skills, institutions of higher learning including TVETS and supporting the Ajira youth empowerment centres (AYECs) to provide necessary infrastructure to enable youth to access digital work;
- ▶ **Program 3** aiming to increase digital and digitally enabled jobs from the public sector by supporting the government to digitize its operations and outsource work. It is anticipated that by digitizing the public sector, it will create employment opportunities, improve service delivery, increase efficiency and in the long run boost economic growth. This is currently being piloted through the Judiciary whereby they are outsourcing its transcription services and supporting digitization of courts. The pilot will provide a model to be adopted by the Government to facilitate the outsourcing of work to online workers.
- ▶ **Program 4** encourages private sector engagements to create digital and digitally enabled job opportunities by creating a conducive ecosystem for the private sector to create digital jobs as well as supporting the growth of MSME and local platforms in creation of digital opportunities;
- ▶ Lastly, **Program 5** aims at revamping the current Ajira portal enabling it to be interactive effectively connecting employers to online workers as well as ensuring it hosts the digital curriculum for self-paced learning. KEPSA is spearheading interventions under program 3, 4 and 5 while program 1 & 2 interventions are implemented by E-Mobilis.

Major Achievements

Program 3: E-government:

- i) In the Judiciary transcription pilot, a total of 23,855 transcripts were submitted to the judiciary by the two BPOs. The transcripts represented a total of 3,964.49 hours representing a 64% workload. This initiative is aimed at increasing the efficiency and turnaround time within the judicial process hence improved service delivery. So far, 14,878,491 images/pages have been scanned through the data entry and scanning exercise.



AJIRA VISIT AT CBD TRAINING CENTRE - JULY 27, 2020

- ii) The program expanded its operations to other regions outside Nairobi through the satellite BPO's in Swahili pot, Mombasa, Ndhiwa, Mbeere South & Kirinyaga Central resulting to more jobs for the Kenyan youths. A total of 870 youth have been engaged in the judiciary pilot project. 163 youth hired on transcription project (135 working as transcribers and 28 in support roles) 707(399 Female) youth engaged in data entry and scanning assignment. 111(55Female) agents dropped out.
- iii) The program will be conducting a survey on the Government outsourcing blueprint with the aim of gathering data to enable the development of a framework for outsourcing work through freelancers by the government. By undertaking the survey, the program seeks to achieve; One, a legal legislative review that will enable to pin point laws and policies that hinder/make it possible for the Government to outsource jobs to the freelancers, and; Two, develop a business case showing whether this can be done and if so, if it can be sustained with value for money.

Program 4: Private Sector

- i) During this period, since inception of the project, private sector engagement initiative has linked 16,670 youth to digital and digitally enabled work opportunities in ecommerce, online work, digital marketing and content creation through various program activities and partnerships. The proportion of Job linkages was largely the same between men and women where 51% of women have been reached against a target of 70%. Majority of online works are aged between 26-30 years (38%).

- ii) Ajira Conducted at least 10 outreach activities and was able to reach over 600+ Youth, SMEs and young entrepreneurs. The activities included: creating awareness of IP, policy and obligations of the digital content distributors, Influencer and Digital marketing sessions with partners and Digitization Program for Businesses. This intervention resulted to more job opportunities to the Kenyan youths. Other key engagements done by the program included: mapping out pilot in-county activities with hub partners (Nakuru / Eldoret / Mombasa / Kiambu), pilot linkage for 5 new partners as well as pilot demand drive campaigns for eCommerce with partners such as SkyGarden.
- iii) Conducted a landscape analysis of blue-collar platforms to identify some key demand areas that can be explored to facilitate blue collar workers access to work opportunities. Developed a marketing strategy to guide on implementation and engaging sector boards to identify more job opportunities.
- iv) Ajira program, through the private sector engagement, supported Online Professional Workers Association of Kenya (OPWAK), that aims to be the voice of online workers in Kenya, by building their capacity on Governance, operations and financial management.
- v) The program participated in several Events and other activities which include: Supplier Summit organised by KEPSA, New normal marketing strategy organised by Wowzi, the gig economy deep dive organised by InQuistive and Ajira information webinar organised by eMobilis among others. This was in a bid to create awareness and linkages among MSMEs, businesses and the e-platforms and to help them understand the need to work with the platforms thus creating demand for their work.



AJIRA TRAINING CENTRE - AUGUST 2020

Program 5: Revamping the Ajira Portal and E-learning curriculum development.

- i) The program continued conversations while forging for partnerships with eLearning third-party providers including: Google Digital Skills for Africa and ABSA
- ii) Through the various eLearning partners, Ajira has managed to have 28,932 youth registering on third-party learning providers with 8,808 completing courses. Our users have enrolled for over 95, 000 courses across the various online learning platforms.
- iii) During the period, Ajira continued with the portal revamp project development work with ABNO software international. The portal is expected to offer support to all the Ajira activities in terms of trainings, communications, job postings and eventually eLearning as well as certification. This will not only create more jobs for the youths but also enhance skills development through online studies.

Multi-Sectoral Forum (formerly MSIAC): National Values

The Multi-sectoral Forum continues to bring together leaders from the different sectors of our society to engage and partner with the Government on:

- i) Governance and Anti-corruption
- ii) Humanitarian Support – under the Pamoja Imara Initiative
- iii) Citizen Agenda

Governance and Anti-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. During this reporting period MSF has continued to give voice to the Anti-corruption campaign and ensured the fight against corruption remains in focus with the media and in public through participation in Webinars, written articles, press conferences and Radio. Some of the activities included:

- ▶ In partnership with the National Anti-Corruption Campaign Steering Committee (NACCSC) MSI participated in Radio interviews talking about The Role of the Private Sector in the Fight against Corruption during the COVID 19 Pandemic. The interviews took place on Truth FM, Mulembe FM and Radio Citizen.

- ▶ Through the Chair of the Private Sector initiative against corruption, Eng. James Mwangi, participated in a Webinar as a panelist at the 2020 Strathmore University Ethics Conference whose theme was Promoting Ethical Behaviour: Do Good, Be More, Fight Corruption. Specifically talking about Financial Integrity
- ▶ Worked with Kenya Leadership Integrity Forum towards the commemoration of the International Anti-corruption Day on December 9th, by highlighting private sector actions against corruption. This information formed part of the targeted communication that was shared in the build up to the International Anti-corruption Day.
- ▶ Marked the International Anti-corruption Day, in collaboration with Blue Company and The KEPSA Governance and Leadership Board committee, by holding a Webinar on Good Corporate Governance and Ethical Leadership in Combating Private Sector Corruption.

Citizen Agenda

Key action areas identified under this agenda include

- ▶ 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.

Humanitarian Support – PAMOJA IMARA

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 Multisectoral forum and humanitarian organizations in Kenya to have a shared vision and united in purpose around humanitarian response.

Achievements:

- ▶ Development of the three-year strategy document that will guide the activities moving forward
- ▶ Provision of thought leadership through a Webinar on “Reflections on Strategic Humanitarian Response to Covid-19” held in the month of October. The Webinar brought together key humanitarian organizations that were involved in the COVID-19 response and was able to look at what was done, challenges faced, lessons learnt and recommendations moving forward/ what next.

Better Business Practices for Children - Children Welfare



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 practices. The phase III of the project is reaching out to women in the low urban settlement with key MIYCN messages in a bid to ensure an improvement in the health and nutrition outcomes of women and children.

The year's achievements of the project under phase III implementation includes:

- ▶ The program partnered with other stakeholders to celebrate the Annual World Breastfeeding Week that was observed on 1st to 7th August 2020 under the theme “Support breastfeeding for a healthier planet”. The planning and observance of the WBW was spearheaded by the Ministry of Health, Human Nutrition and Dietetics Unit and UNICEF. Through this platform, KEPSA showcased its contribution in ensuring the realization of improved children welfare within the Private Sector through championing various policies.

i.e. Breast Milk Substitute (Regulation and Control) that became law in 2012 and also advocated for the enactment of the Health Act 2017 in collaboration with the Ministry of Health and Parliamentary Health Committee, which provides a legal framework for the establishment of the lactation stations and allowance of breaks at the workplace for breastfeeding.

- ▶ On Thursday, January 28, 2021, the Better Business Practices for Children (BBPC) Program conducted a sensitization session for 20 Agro – processors, Food Marketers, and Women Leaders selected from Githurai, Mathare, Githogoro, and Kawangware at the Sarova Stanley Hotel. The training aimed at empowering women to take a leading role in Agro – processing by formulating an association of women Agro-processors who will champion quality nutrition, especially in low settlement areas.
- ▶ Through its Technical Advisor, Ms. Gloria Ndekei, the program engaged the Nairobi Metropolitan Services (NMS) in regards to establishment of a Crèche and Lactation station as part of greater work that KEPSA has embarked on in the market enhancement at Uhuru Market. This will contribute to attainment of the broader objective of strengthening urban services and infrastructure in the Nairobi metropolitan region in the flagship projects.
- ▶ The space for the development of the lactation station and crèche was allocated and rehabilitation work approved by the Nairobi Metropolitan Services (NMS). This will go a long way in ensuring that women are able to continue breastfeeding while assuring of the safety of their children when working at the market place. The initial phase that consists of landscaping work has been concluded and the Government has availed Architects and Engineers who are working on the drawings and Bill of Quantities.
- ▶ The BBPC project team continues to lead the MIYCN Technical Working Group for Workplace support for breastfeeding under the MoH Human Nutrition and Dietetics Unit taskforce thus ensuring that private sector voice is captured in the scaling up of MIYCN practices.
- ▶ BBPC continues to support organizations set up mother rooms and lactation spaces. During this period, BBPC participated in the launch of the lactation space at Del Monte Kenya Limited. Through this Del Monte will support the over 2,000 women who work in the food processing company. The women will also receive training on the importance of breastfeeding and the right way to do it.

Natural Capital Network – Environment

KEPSA Foundation has been promoting over the last year the formation of an umbrella body for the natural capital sector. Recognizing that natural capital plays a role as one of the biggest sectors in Kenya's economy and in creating employment. Hence the need for a unified advocacy organization to champion the interests of the entire ecosystem of sectors and partner with the Government towards economic development.

The Network seeks to;

- i) Aggregate all sub-sectors to provide an expert contribution on sectoral and cross-cutting issues, representing the Natural Resource Network in committee meetings, conferences, interviews, and conventions relating to the natural resource sector to advocate for better policies
- ii) Using evidence-based research, prepare position papers on policy for presentation to the line ministries
- iii) Attract investment in the ecosystem for finance, trade, and investment, position the sector to be recognized globally to elevate the Country's footprint in regional and international bodies due to the nature of collaborations to be achieved
- iv) Strengthen the capacities of all stakeholders within the ecosystem up to private sector members on natural resource management highlighting, the adverse effects of not addressing challenges within the sector and the cost of inaction to them and the country.

Among the targeted sectors are:

- 1) Tourism Associations
- 2) Wildlife Conservation, Forest and Environmental Conservation
- 3) National World Heritage Sites and Cultural Associations
- 4) Water, water towers and river conservations
- 5) Aqua and Marine Life Conservation
- 6) Climatic change, renewable energy/ Green energy
- 7) Mineral sector
- 8) Ornithology
- 9) Research Institutions & Education
- 10) Faith-Based Organizations

- ▶ The Network mapped out organizations within the natural capital sector at the National and County Government level and brought them together in two stakeholder workshops on 25th September 2020 and 22nd October 2020 via zoom. There was massive endorsement on the formulation of the Network, Stakeholders highlighting it was overdue.
- ▶ The Network has a team of steering committee members drawn from the various sectors within the ecosystem to propel the operationalization of the Network with a possible launch in July 2021. Among the activities include the registration of the Network to a legal entity under the name Natural Resource Network (NAREN), firming up of a governance structure and core secretariat to run the daily duties of the Network upon launching and resource mobilization to cater for the operational cost of setting, running the office among other items.
- ▶ The Network has partnered with the IUCN ESARO to join panels in a series of webinars that will focus on Natural Capital thinking (but also introduce an element of social and human capital) and the relationship between those areas and both SMEs and local communities. The IUCN and Global Initiative for Sustainable Development (GIST) will be introducing an SME360X tool that measures and economically values business impact on nature and the environment. They are targeting KEPSA Membership to uptake the SME360X tool to measure their environmental impact.

Nairobi for Africa – Social Impact



The Nairobi Forum seeks 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. It aims to bring people (the community) who are interested in enhancing the city together while giving those already undertaking activities to better the city a platform to collaborate, leverage and synergize. It will work with the community to create initiatives that don't exist, endorse and amplify those that exist and replicate the good ones.

Currently the Nairobi Forum is focused on two key areas:

- i) Leadership and Culture Change – Developing a pilot leadership training program to be implemented during second half of 2021 targeting:
 - ▶ Rising leaders in their profession and community who are eager to grow.
 - ▶ Dedicated volunteers for non-profit organizations and civic activities.
 - ▶ Community-minded citizens who aspire to take up decision-making roles in organizations.
 - ▶ Nairobi county leaders who reside within its boundaries

Held an Informative webinar on the Leadership Programme that enabled the team to get feedback from key stakeholders on the leadership training programme and test its viability.

- ii) Identifying and engaging key stakeholders within the community to form working groups around the specific sectors to steer the initiative towards achieving its objective. Towards this, the Nairobi Forum held 'The Nairobi Forum Annual Summit' on 29th -30th October 2020. This coincided with the World Cities Day celebrated on 31st October. The event brought together key stakeholders and provided a platform for likeminded citizens to reimagine the city of Nairobi as a vibrant and livable city for all.

Africa Venture Philanthropy Alliance (AVPA) – Social Impact Investment

The Foundation has been actively involved in AVPA, with the KEPSA Foundation Chairman chairing the Board of the Strategic Advisory Group. Key achievements during this period have seen AVPA put in place a fully operationalized office including staff, systems and processes. As such, from April 2021, KEPSA Foundation handed over all financial and contractual obligations, that it has supported over the years, to the AVPA secretariat.

Wezesha Youth Placement Program – Youth Development

The initiative is a collaboration between KEPSA and EFAC which aims to create an eco-system, through collaboration, where beneficiaries are to be placed within organizations, companies and/or programs for the purpose of building their skills, competences and experience that will enable them to eventually be placed in the job market. The aim of the program is to source for internship positions for the beneficiaries graduating from college, seek out opportunities for the scholars to volunteer, job shadow and intern during their studentship years with the intended outcome that they shall better transition into the job market.

Having commenced in January 2021, the program focused on communication and awareness creation by circulation to KEPSA members and networks using the various KEPSA communication platforms and meetings with a reach of 5422 via email; 475 via WhatsApp; 42.3K, 9,500 and 957 followers via twitter, Facebook and LinkedIn respectively; and 295 via meetings/events.

This resulted in 131 organizations mobilized as employers with a total of 372 placement opportunities. Currently the program is focused on matching potential scholars for interviews and placement, a process geared towards building soft skills required.

Gender focused initiatives



- ▶ In September, KEPSA Foundation, KEWOPA, COWA, ENA and Kenya Pipeline Company hosted a workshop on “The Space for Women in National Resource Sharing and Budget Making Processes” The overall objective of the workshop was to enhance the capacity of women Members of Parliament at the National level by Enhancing the representation, participation and inclusion of women in resource allocation and management; Strengthening the capacities of KEWOPA Members to influence policies and development of the budget making process; Strengthening partnership of Women Parliamentarians and Women Leaders in championing gender related budgetary allocations; Ensuring women's political representation is linked to resources and economics; And engendering the Budget Process and in particular the Covid-19 Economic Recovery Stimulus Programmes.

- In August, the Foundation in collaboration with Common Women Agenda (COWA) and Echo Network Africa (ENA) co-hosted a Dialogue Meeting of Women Leaders to discuss the Two Thirds Gender Rule and the Proposed Biashara Fund.
- In November, KEPSA Foundation in partnership with the Women's Economic Hub at the African Women's Studies Centre (AWSC) (UON) and Coalition on Women Agenda (COWA), co-hosted a virtual meeting to discuss the findings of the study on 'Making Policies Work for Women: Unlocking the Potential of AGPO for Women's Economic Empowerment'. The meeting further made input to the recommendation for informed and enhanced policy and advocacy around AGPO

Nairobi Clean-up Exercise



CITY CLEANUP EXERCISE - MARCH 13, 2021

In partnership with Nairobi Metropolitan Services, the Foundation organized and held the KEPSA Nairobi Clean Up Exercise in Kibera informal settlement, Sarang'ombe Ward. This was as a contribution by the private sector to the work the Government is doing with an aim of creating a safe, clean and healthy space that sets Nairobi apart as the city to live, work and invest in. The team, led by KEPSA Director, Mr. Francis Munywoki, working together with the community group, Simama na Kibra, undertook the clean-up drive and also sought to raise awareness and empower the local community on sustainable waste management practices.

02 THE KNOWLEDGE PILLAR

Sustainable Inclusive Business

The Sustainable Inclusive Business Kenya (SIB-K); a project funded by the Embassy of the Kingdom of the Netherlands (EKN) is currently in its 3rd phase (2019-2022) which seeks to promote the adoption of an integrated approach among businesses that incorporates finding a balance between people, the environment (planet), and profits.

The integrated approach combines people, planet, and profit as the core of doing business, this concept is fairly new and is largely applied by multinationals. The project, therefore, aims to increase awareness and increase the adoption of sustainable business models. Sustainable Inclusive Business works with the Private sector, Non-governmental Organisations (NGOs) and civil society, to create a mind shift from the contemporary CSR practices to creating innovative business solutions which contribute to sustainability and inclusion of women, youth, persons with disabilities and people at the Bottom of the Pyramid (BoP), in business value chains, and the reduction of negative impact on the planet. Achievements during this period include:

1) Increase awareness, knowledge and social dialogue on the importance and opportunities of Corporate Social Responsibility (CSR) sustainability and inclusiveness amongst Small & Medium Enterprises (SMEs) and corporates.

- SIB-K partnered with Flipflop Foundation in conducting a quick scan on policies, regulations, and laws that support the elimination of problematic waste (single-use plastic) in the East African region. The study was part of the awareness creation campaign in the region on the need to eliminate problematic plastics and review policies to align countries' ambition in dealing with the degradation of the environment through the disposal of single-use plastics.
- 3 trend reports were published, the two reports were on single-use plastic, e-waste management in Kenya, and circular economy. 5 business cases were highlighted within the trend report. 2 policy briefs were documented on EPR Regulations 2020 and the National Waste Management Policy. Review of single-use plastic ban, laws, and regulations in East Africa. 6 case studies on marine plastics were documented.
- 8 TV interviews were conducted, 4 Newspaper articles published with a focus on increasing awareness on the single-use plastic ban, and 2 on the resilience of the economy amidst COVID-19 as well as sustainable business practices adopted by the private sector. The project achieved 95 online publications, this was a strategy to increase awareness on policies as well as champion the adoption of sustainable business practices. Online publications include those published in different countries.

- ▶ The 2020 SIB-K annual conference was hosted on the 18th of September 2020, with a total of 230 registrations. Discussions were geared towards the shift to a circular economy as well as opportunities and risks presented to the private sector. The virtual event was attended by; Amb. Maarten Brouwer, Amb. Simon Mordue and Amb. Erik Lundberg and Dr. Ayub Macharia, Ministry of Environment and Forestry. Ms. Carole Karuga, our circular economy champion, led the call to the private sector to support the shift from a linear to a circular economy.
- ▶ SIB-K participated in several events with the latest being the impact investment summit that was held in Cape Town. The team gave a presentation in form of a case study of the COAST project implemented in Mombasa County. The success and bottlenecks were assessed in equal measure. During the implementation phase of the project, a total of 102 women and youth were trained, and 13 businesses were awarded seed capital to start initiatives in the waste management value chain. Funded by the French Embassy, the COAST project focused on a low-income area (Tudor) which is characterized by high levels of unemployment and lack of proper infrastructure for water, and low access to sanitation. The implication of the project to the community was the change of mindset towards circularity and use of waste as input for production, therefore, creating opportunities for alternative sources of income. 101 women youth were taken through a training program. 19 business cases were developed and presented to a jury. 13 out of the 19 were awarded seed funding from the project. The intervention envisioned the community taking responsibility for the disposal of waste and taking a keen interest in recovering items that can be recycled or reused. The second phase of the project will be implemented in the current year (2021). The objective is to empower women and youth to harness their entrepreneurship skills, enhance access to financing, and begin micro and small businesses based on sustainable waste management models.



LAUNCH OF KENYA'S FIRST BUSINESS PLAN MODEL FOR PLASTIC PRO

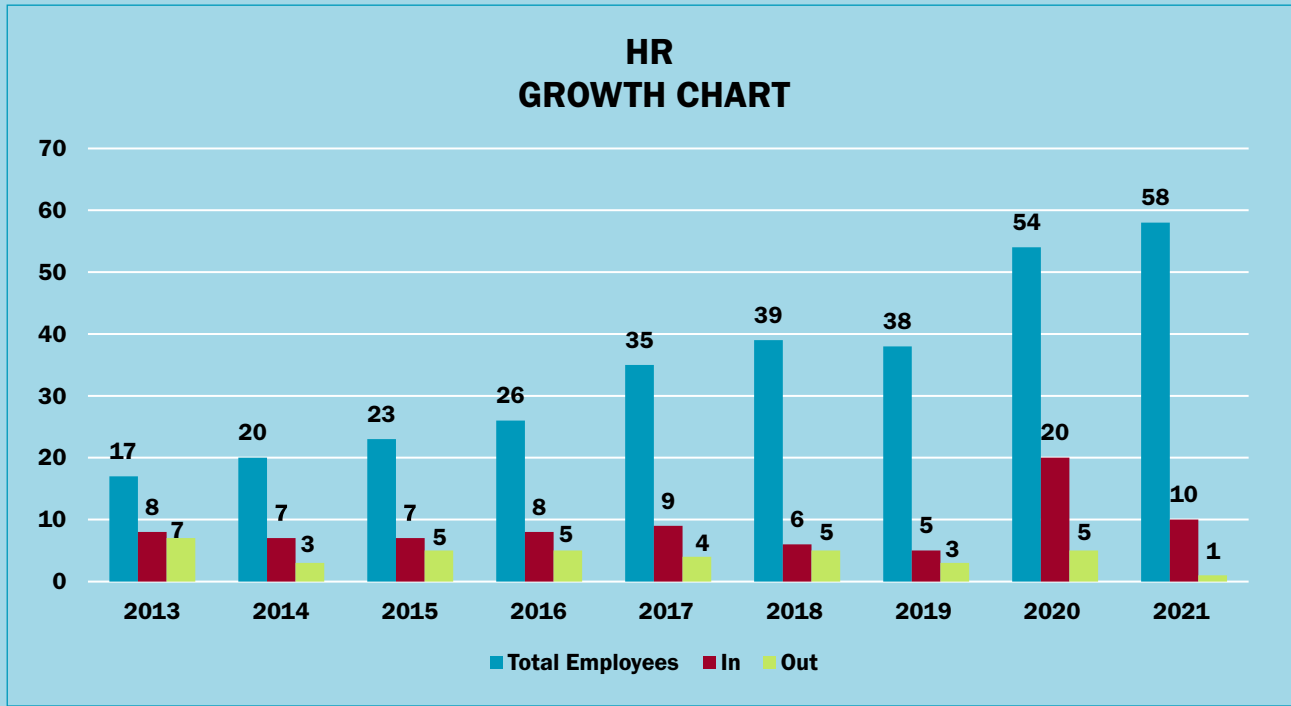
- 2) **Expanded and strengthened application of sustainable inclusive business principles, strategies and practices within businesses and organizations (small, medium and large).**
 - ▶ SIB-K partnered with WWF-Kenya to organize an event that brought together business leaders to discuss the contribution of the private sector towards the conservation of the environment. The original 8 part 'Our Planet' series launched globally on Netflix in April 2019. The series was a major, multi-year collaboration between WWF, Netflix, and the Emmy® Award-winning Silverback Films. Our planet Our business film was a spin-off from the highly successful series that aims to increase awareness on the need to conserve the environment and specifically how businesses can contribute to it. The screening of the film and discussions aim to trigger a conversation and action by organizations to incorporate environmental sustainability as one of their strategic focus areas. This event took the form of a panel discussion with WWF-Kenya Board chair, Mr. Isaac Awuondo (CEO, NCBA). Other panellists included Ms. Karin Boomsma – Director, SIB-K and Ms. Emily Waita - Public Affairs & Government Relations Leader, Coca-Cola Central, East & West Africa, Ms. Arnolda Shiundu - Head of Sustainability & Community Engagement, Kenya Breweries Ltd, Juliani, CEO Takabank/ Hip-hop Artist and Mr. Vimal Shah, KEPA Foundation board trustee and Chairman Bidco Africa.
 - ▶ The Sustainable Inclusive Business Kenya (SIB-K), in partnerships with TNO, is implementing an assignment with TNO; a study in Zimbabwe, Zambia, and Malawi. The assignment seeks to address the lack and asymmetry of information, as well as the coordination failures that exist in Zimbabwe, Zambia, and Malawi concerning the state and level of development of the circular economy, as well as the lack of knowledge of the players and the circular initiatives that are being developed in their respective territories, their potential benefits, and existing barriers.



This is under the Climate Technology Network (CTCN) response plan on circular economy for the three countries. The United Nations Environment Programme (UN Environment) hosts the CTCN in collaboration with the United Nations Industrial Development Organization (UNIDO) and the support of a consortium of partners. The CTCN consists of two parts: a centre—a coordinating entity located in UN City Copenhagen—and a worldwide network of organizations that delivers CTCN services—both virtually and actually.

- Setting up a sustainable business model for an Extended Producer Responsibility Organization Project: SIB-K in collaboration with the Kenyan Association of Manufacturers (KAM) implemented a project with the aim to develop a business model for a Producer Responsibility Organization (PRO). This was with the support of the Netherlands Enterprise Agency (RVO). This project aimed to increase the capacity of Kenyan companies to take responsibility for plastic waste and enable them to act on managing the disposal of packaging material introduced into the market. The Environmental Management and Coordination (Extended Producer Responsibility) Regulation 2020 provided the basis for the establishment of a producer responsibility organization. SIB-K will partner with the Ministry of Environment and Forestry to create awareness to the general public and demystify myths that have been established in the minds of the public. This is to support compliance and ease of implementation.

Human Resources & Administration



KEPSA Staffing

We have continued to strengthen the human resource capacity at KEPSA by recruiting individuals with the right skills to ensure that the organization has the right team to carry out its mandate in line with the business strategy. A total of 24 employees were recruited to support with different projects within the year.

Employee wellbeing programs

The organization developed programs focusing on the psychological, financial and physical wellbeing of its employees to keep them engaged for improved productivity. The programs included; Stress management, Mental Health in the workplace, Work-Life Balance, Employee financial wellness, Coping with grief/loss among others. Employees also had sessions on COVID-19 workplace safety that is consistent with guidelines from the Ministry of Health and World Health Organization.

Training and Development

KEPSA fully supports continuous learning and development to shape a more efficient, competitive and engaged workforce for sustainable business and success. 62% of KEPSA staff attended training and development courses within the year.

Employee survey

In the wake of the Covid-19 disruption on workplace procedures, KEPSA adopted a hybrid system allowing employees to work from home or office, and increased virtual engagements for staff and members. With desire to improve the HR processes and make KEPSA an organization of choice, a short survey was launched in December 2020 to gather views from its employees on effectiveness of the hybrid system, challenges faced and the best approach to improve employee productivity and workplace safety in 2021 and beyond the pandemic.

Review of the KEPSA Human Resource Policies and Procedures Manual

Finalised the review of the Human Resource Policies and Procedures Manual to keep the organization running smoothly in tandem with best HR practices and compliance with employment laws.

Membership Development

New Members

244 members joined in the year in the following categories;

| MEMBERSHIP CATEGORY | NO. OF MEMBERS |
|------------------------------|----------------|
| <i>Business Associations</i> | 10 |
| <i>Platinum</i> | 4 |
| <i>Diamond</i> | 5 |
| <i>Gold</i> | 2 |
| <i>Silver</i> | 6 |
| <i>SME</i> | 91 |
| <i>Startups</i> | 126 |
| TOTAL | 244 |

Member Activities

New Members Inductions:

Three physical sessions were conducted virtually on 20th July 2020, 1st October 2020, and 18th March 2021. The objective is to introduce them to the structure of KEPSA to assist them identify areas of engagement.

During the Covid-19 period, members were supported in the following ways:

a) Essential Stickers

KEPSA issued essential stickers to members to facilitate movement during curfew hours and to lockdown counties.

b) Google-Digital Training Skills for Entrepreneurs

Under this partnership Google supported 61 businesses to set up their Online Business Profiles and get them verified at no cost. Also, on offer was a complimentary one-pager website for those without.

c) KEPSA/SME Founders Association Partnership

Partnered with SME Founders Association that led 10 SME members get scholarships to the program offering strategy clinics to sensitize SMEs to develop strategies to adapt, pivot and thrive.

d) KEPSA/UK-Kenya Tech Hub partnership

The program was aimed at providing SMEs direct linkages with tech start-ups with innovative solutions that can solve their existing problems or unlock new opportunities. Two SMEs were matched with relevant start-ups in their focus areas with the goal of securing a commercial or partnership deals.

Webinars:

a) **Value Connect** in May and June held seven sessions on Leading through crisis and how to manoeuvre during the Covid-19 crisis.

b) **Kaizen Institute** in May 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.

c) **International Coaching Federation:** In partnership with KEPSA, coordinated participation to a webinar on Coaching and Leadership workshop held in August.

d) **BASF:** KEPSA Partnered with BASF in June on formulation of disinfectants in the fight against the Covid-19 pandemic.

Support to New Associations

a) Agriculture Sector Network (ASNET)

KEPSA, with support from development partners, finalized formation of ASNET to act as the voice of the Agriculture Sector. ASNET brings together stakeholders in the sector to engage with relevant partners on their issues and will hence be the KEPSA Agriculture Sector Board.



KEPSA will continue supporting ASNET as it builds its capacity.

b) Film Exhibitors and Distributors Association of Kenya (FEDAK)

KEPSA is assisting in formation and incubation of FEDAK which is made up of Cinema owners exhibiting films or related content and Film Distributors. The objective of this association is to promote distribution and film content to cinemas and other platforms.

c) International Chamber of Commerce – Kenya



The International Chamber of Commerce (The ICC) is the world's largest business organization working to promote international trade, responsible business conduct and a global approach to regulation for purposes of accelerating inclusive and sustainable growth to the benefit of all. ICC Kenya, the Kenyan Chapter, is domiciled at KEPSA.

In the period under consideration the organization:

- ▶ Coordinated members' interactions in the ICC Paris activities through the 11 commissions and partnerships with other organizations especially the World Health Organization (WHO) on matters Covid-19.
- ▶ Supported the Global Alliance for Trade Facilitation (GATF) by hosting a consultant to coordinate their activities in Kenya and the East African region. GATF is a public-private partnership organization supporting governments to implement the World Trade Organization's Trade Facilitation Agreement (TFA).

d) Digital Lenders Association (DLAK)

2020 has been a difficult year for DLAK members on account of their customers defaulting on loan payments.

e) Online Professional Workers Association of Kenya (OPWAK)

KEPSA served as a sounding board for OPWAK's ideas and given opinion/guidance on the following areas:

- (i) Refined the strategic plan for the year and direct support in execution.
- (ii) Support in the set-up of their governance structure.
- (iii) Facilitated advocacy work on behalf of online workers, primarily on the impact of the Digital Service Tax to their industry. This will culminate in a sensitization workshop scheduled for 10th Dec 2020.
- (iv) Exposure to opportunities for participation in the Government's agenda for the sector through several meetings with MoICT, resulting in an invitation to participate in the mentorship work stream of the AJIRA DIGITAL Program.

f) International Relations Society of Kenya (IRSK)

IRSK was registered in 2020 and, although things slowed down due to the Covid-19, the society organized a series of webinars for potential members.

PR & Communications

KEPSA remains committed to ensuring effective and efficient communication to our members through the various mechanism and in so doing, strengthening the KEPSA brand and maintaining its image. In the last one year, we utilized the following ways to achieve this objective;

- ▶ Daily Media Watch
- ▶ Weekly News E-shots
- ▶ Daily WhatsApp messaging
- ▶ Email blasts
- ▶ Social Media - Facebook, Twitter, Linked in & YouTube

Executive visibility programme:



We have been executing an executive visibility programme aimed at ensuring KEPSA leaders are featured on the media either through earned or paid for media.



Media Engagement:

The Communications Department has been engaging the media on different KEPSA activities to ensure favourable coverage

in all the local dailies, radio and TV stations. Through this, we disseminated 19 press statements, got 18 Television interviews, coverage in 61 Television stories, 138 Radio mentions and 262 publications on newspaper / online spaces.

Social media:

We are keen on the quality and relevance of content as far as social media engagement is concerned. The prominence of the KEPSA brand continues to soar going by the increasing number of audiences reached and interactions.

Top Tweet earned 11.4K impressions

What could we possibly be talking about?

- SMEs
- Business
- Digital
- No, JUST being on Facebook is NOT being digital

[youtube.com/watch?v=Dq4UnS...](https://www.youtube.com/watch?v=Dq4UnS...)

Visit: bit.ly/3nMinH5 and register. Takes 2 minutes and it's free

#ShiftDigitizeThrive

pic.twitter.com/QofEhZCEoB



The KEPSA Twitter now has 43,333 followers, as of May 2021 from the previous 38,469 followers in May 2020. The exponential growth of followers has also been recorded on Facebook over the same period, with the page having 9,814 likes and 10,900 followers.

KEPSA YouTube channel recorded a total of 5,602 views in the last one year as compared to 1,622 views as of May 2020. The watch time increased from 80.1 hours to 522.6 hours while at the same period gaining 260 subscribers more than the 22 subscribers gained as of May 2020.

The exponential growth in following and engagement on our social media platforms has majorly been driven by the people centric online campaigns, seeking to empower businesses manoeuvre the effects of Covid-19. These campaigns included:

#KEPSAnaBiashara, encouraging women and youth led Micro Small and Medium Enterprises (MSMEs) to apply the Interest free loans through the Covid-19 Recovery and Resilience Program.

#KEPSABizRecovery, mobilizing MSMEs to attend the weekly virtual training and mentorship sessions, recording an average of 300 participants per session.

#ShiftThriveDigitize, educating businesses to embrace the new-normal in the way of doing business by going digital through the KEPSA Ecommerce Booster Program.

Financial Statements

FOR THE YEAR ENDED
31ST DECEMBER

2020

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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 2020, which disclose the state of affairs of Kenya Private Sector Alliance Limited (the "Company").

Business review

The Company seeks to bring together private sector companies to enable them to speak with one voice to influence public policy formulation. Through constructive dialogue, Kenya Private Sector Alliance (KEPSA) Limited engages the government in the formulation and implementation of pro-growth policies that maximize competitiveness and create wealth.

The company's income comprises membership subscriptions, public private dialogue (PPD) funds, administrative fees earned from project funds and other income such as bank interest and sponsorships. The Year 2020 has exhibited good financial performance for KEPSA despite the COVID-19 pandemic that has impacted businesses and the Kenyan economy. Membership subscriptions grew marginally by 3% and the PPD funds and Admin fee from projects grew most significantly in the year mainly resulting from the ongoing PPD program "Integrating Public-Private Sector Dialogue (PPD) for Trade and Investment in Kenya" as well as admin fees earned on the Ajira Digital project that commenced in January 2020. Projects funds doubled with the signing of 2 new projects- the Ajira Digital project and the MSME Financing facility project. Other income also grew, as some sponsorships were received earlier in the year for some activities that held physical meetings before the COVID pandemic hit.

The Company's expenditure includes; direct project activity costs, public private dialogue (PPD) activity costs and overheads of the organization. KEPSA being a membership organization means that its work is service oriented and thus people intensive and so the major costs go to people. Overheads in 2020 were less than 2019, as expenses were reduced to a bare minimum once the COVID-19 pandemic hit. Direct office costs were reduced significantly with staff working from home. Additionally, the organisation was fortunate to have 3 new projects/programmes signed up within the year despite the difficult business environment brought about by COVID-19. These 3 projects/programmes brought about the blessing of shared overheads, and increased support for shared manpower both which had the effect of bringing down the overhead cost that KEPSA bore. With the signing up of the 3 projects/programmes, an increase in direct project costs, these are however fully funded and supported by project revenues. Our PPD work progressed well in 2020, despite the disruption that the COVID-19 pandemic caused, we quickly adopted to online engagements with our various partners and stakeholders with great response and interest in the engagements, the switch notwithstanding.

Statement as to disclosure to the company's auditors

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 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 continue in office in accordance with the Company's Articles of Association and Section 719 of the Kenyan Companies Act, 2015.

The directors monitor the effectiveness, objectivity and independence of the auditor. The directors also approve the annual audit engagement contract which sets out the terms of the auditor's appointment and the related fees.

By order of the Board

SECRETARY

29TH APRIL 2021

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.

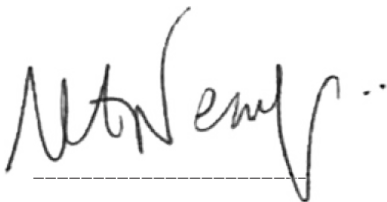
The directors accept responsibility for the preparation and presentation of these financial statements in accordance with International Financial Reporting Standards. They also accept responsibility for:

- 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

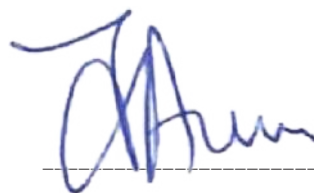
Having made an assessment of the Company's ability to continue as a going concern as set out in note 2(a), the directors are not aware of any material uncertainties related to events or conditions that may cast doubt upon the Company's ability to continue as a going concern.

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 29TH APRIL 2021 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 87-109 which comprise the statement of financial position at 31 December 2020 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 2020, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of 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 except to the extent otherwise explicitly stated in this report, 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.

However, future events or conditions may cause the Company to cease to continue as a going concern.

Report of the Independent Auditor

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

- 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 82 is consistent with the financial statements.

Bernice Kimacia

Certified Public Accountants

Nairobi

29 April 2021

CPA Bernice Kimacia, Practising certificate No. 1457

Signing partner responsible for the independent audit

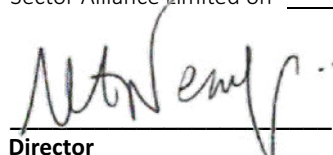
Statement of profit or loss & other comprehensive income

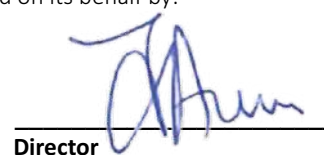
| | Notes | General fund | | Public Private Dialogue and projects fund | | Total | |
|---|-------|-----------------|-----------------|--|-----------------|-----------------|-----------------|
| | | 2020 Shs'000 | 2019 Shs'000 | 2020 Shs'000 | 2019 Shs'000 | 2020 Shs'000 | 2019 Shs'000 |
| Public Private Dialogue and Project funds | 5 | 95,867 | 30,582 | 160,441 | 47,215 | 256,308 | 77,797 |
| Depreciation met through capital grants | 12 | 1,475 | 1,025 | - | - | 1,475 | 1,025 |
| Membership subscriptions | 6 | 74,625 | 72,780 | - | - | 74,625 | 72,780 |
| Other income | 7 | 14,443 | 12,113 | - | - | 14,443 | 12,113 |
| Total income | | 186,410 | 116,500 | 160,441 | 47,215 | 346,851 | 163,715 |
| Administrative expenses | 9 | -100,535 | -95,736 | -53,809 | -12,686 | -154,344 | -108,422 |
| Establishment expenses | 10 | -10,993 | -11,373 | -5,148 | -431 | -16,141 | -11,804 |
| Public Private Dialogue and Project costs | 11 | -25,740 | -51,413 | -101,484 | -34,098 | -127,224 | -85,511 |
| Finance cost | 8 | -2,584 | -3,053 | - | - | -2,584 | -3,053 |
| Total expenses | | -139,852 | -161,575 | -160,441 | -47,215 | -300,293 | -208,790 |
| Surplus/(Deficit) for the year | | 46,558 | -45,075 | - | - | 46,558 | -45,075 |
| Corporate tax on interest income | 13 | -311 | - | - | - | -311 | - |
| Total comprehensive income | | 46,247 | -45,075 | - | - | 46,247 | -45,075 |

Statement of Financial Position

| | Note | 2020 Shs'000 | 2019 Shs'000 |
|--------------------------------|------|-----------------|-----------------|
| FUND BALANCES | | | |
| General fund | | -3,965 | -50,212 |
| Non-current liabilities | | | |
| Capital grant | 12 | 5,895 | 2,647 |
| Lease liability | 21 | 7,875 | 8,472 |
| | | <u>9,805</u> | <u>-39,093</u> |
| REPRESENTED BY | | | |
| Non-current assets | | | |
| Property and equipment | 14 | 6,723 | 3,741 |
| Right of use asset | 17 | 13,570 | 20,230 |
| Intangible asset | 15 | 127 | 269 |
| | | <u>20,420</u> | <u>24,240</u> |
| Current assets | | | |
| Trade and other receivables | 16 | 2,924 | 3,697 |
| Short-term investments | 19 | 301,268 | - |
| Cash at bank and in hand | 18 | 70,342 | 4,521 |
| | | <u>374,534</u> | <u>8,218</u> |
| Current liabilities | | | |
| Trade and other payables | 20 | 29,415 | 24,347 |
| Current income tax | 13 | 311 | - |
| Deferred income | 5 | 346,953 | 34,447 |
| Lease liability | 21 | 8,470 | 12,757 |
| | | <u>385,149</u> | <u>71,551</u> |
| Net current assets | | <u>-10,615</u> | <u>-63,333</u> |
| | | <u>9,805</u> | <u>-39,093</u> |

The financial statements on pages 87 to 109 were approved for issue by the Board of Directors of Kenya Private Sector Alliance Limited on 29TH APRIL 2021 and signed on its behalf by:


Director


Director

Statement of Changes in Fund Balances

| | General fund |
|-----------------------|--------------|
| | Shs'000 |
| At 1st January 2019 | -5,137 |
| Deficit for the year | -45,075 |
| At 31st December 2019 | (50,212) |
| At 1st January 2020 | -50,212 |
| Surplus for the year | 46,247 |
| At 31st December 2020 | (3,965) |

Statement of Cash Flows

| | Notes | 2020 KSh'000' | 2019 KSh'000' |
|--|-------|------------------|------------------|
| Surplus/(deficit) for the year before tax | | 46,558 | -45,075 |
| Adjustments for: | | | |
| Depreciation of property and equipment | 14 | 1,900 | 1,974 |
| Amortization of intangible assets | 15 | 67 | 328 |
| Amortization of Right-of-use asset | 17 | 6,660 | 6,015 |
| Interest income | 7 | -1,242 | -722 |
| Capital grant amortization | 12 | -1,475 | -1,025 |
| Assets write-off- intangible assets | | 75 | - |
| Changes in operating assets and liabilities: | | | |
| -Trade and other receivables | | 773 | 6,549 |
| -Trade and other payables | | 5,068 | -10,147 |
| -Deferred revenue | | 312,506 | 7,839 |
| Cash generated from/ (used in) operations | | 370,890 | -34,264 |
| Interest received | 7 | 1,242 | 722 |
| Interest expense Paid on Lease | 8 | 2,584 | 3,053 |
| Net cash generated from/ (used in) operating activities | | 374,716 | -30,489 |
| Cash flows from investing activities | | | |
| Additions of property and equipment | 14 | -4,882 | -2,050 |
| Additions of intangible asset | | - | -38 |
| Net cash utilized in investing activities | | -4,882 | -2,089 |
| Cash flows from financing activities | | | |
| Capital grants received | 12 | 4,723 | 1,871 |
| Lease repayments | 21 | -7,468 | -8,069 |
| Net cash generated from financing activities | | -2,745 | -6,198 |
| Net increase/(decrease) in cash and cash equivalents | | 367,089 | -38,776 |
| Cash and cash equivalents at start of year | | 4,521 | 43,297 |
| Cash and cash equivalents at end of year | 18 | 371,610 | 4,521 |

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 (Ksh).

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 an accumulated fund balance deficit at 31 December 2020 of Shs 3,965,000 (2019: deficit of Shs 50,212,000) and the current liabilities exceed current assets by Shs 10,615,000 (2019: Shs 63,333,000). 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 60 million
2. A portion of deferred income of Shs 347 million as at 31 December 2020 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- the PPD Manager/ Specialist and the Monitoring & Evaluation Manager
4. Management has already collected 35% of the budgeted funds for 2021 in the first quarter of 2021. Further, the budgeted revenue and activity level indicates that there will be a surplus at the end of 2021.
5. On the business impact of Covid-19, Management has performed high-level stress tests that confirm 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 standards, amendments and interpretations adopted

Covid-19-Related Rent Concessions – amendments to IFRS 16

The IASB published an amendment to IFRS 16 that provides an optional practical expedient for lessees from assessing whether a rent concession related to COVID-19 is a lease modification. Lessees can elect to account for such rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as variable lease payments in the period(s) in which the event or condition that triggers the reduced payment occurs.

This amendment did not have an impact on Kenya Private Sector Alliance Limited Financial Statements.

Interest Rate Benchmark Reform amendments to IFRS 9, IAS 39, and IFRS 7

Also referred to as Clearly IFRS that addresses the recent amendments to IFRS 9 Financial Instruments, IAS 39 Financial Instruments: Recognition and Measurement and IFRS 7 Financial Instruments: Disclosures. The IASB has modified the amendments to the hedge accounting requirements that impact both IFRS 9 and IAS 39 because entities have an accounting policy choice under IFRS 9 as to whether to continue to apply the hedge accounting model in IAS 39 or IFRS 9. In addition, some insurance companies have not adopted IFRS 9 as they are deferring the application until they apply IFRS 17 Insurance Contracts, so they continue to apply IAS 39 in its entirety.

The amendments apply to hedging relationships. Kenya Private Sector Alliance Limited does not participate in hedging relationships.

(ii) New standards, amendments and interpretations issued but not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2020 reporting periods and have not been early adopted by Kenya Private Sector Alliance Limited. These standards are not expected to have a material impact on the organisation in the current or future reporting periods and on foreseeable future transactions.

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 Kenya Private Sector Alliance Limited 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 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:

| | 2020 Shs '000 | 2019 Shs '000 |
|-----------------------------|--------------------------------|--------------------------------|
| Short term investments | 301,268 | - |
| Cash at bank | 69,842 | 4,520 |
| Trade and other receivables | 2,924 | 3,697 |
| | 374,034 | 8,217 |

4 Financial risk management objectives and policies (continued)

(i) Credit risk (continued)

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

| 2020 | Gross balance Shs '000 | Impairment provision Shs '000 | Net balance Shs '000 |
|-----------------------|---------------------------|-------------------------------------|-------------------------|
| Current | - | - | - |
| Past due 0 – 30 days | 626 | - | 626 |
| Past due 31 – 90 days | 1,179 | 1,179 | - |
| | 1,805 | 1,179 | 626 |
| 2019 | Gross balance Shs '000 | Impairment provision Shs '000 | Net balance Shs '000 |
| Current | - | - | - |
| Past due 0 – 30 days | 175 | - | 175 |
| Past due 31 – 90 days | 534 | - | 534 |
| | 709 | - | 709 |

There was Kshs 1,179,000 expected credit loss exposure in 2020 (2019: Nil).

Cash in bank and short-term investments

As at 31 December 2020, the loss allowance for cash and bank balances was assessed using the 12 months expected credit loss model which is based on external ratings for the financial institutions. The resultant allowance was immaterial.

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 2020 and 31 December 2019:

| | Up to 12 months Shs '000 | Over 1 year Shs '000 | Total Shs '000 |
|--------------------------|-----------------------------|-------------------------|-------------------|
| 2020 | | | |
| Trade and other payables | 29,415 | - | 29,415 |
| Lease liability | 8,470 | 7,875 | 16,345 |
| | 37,885 | 7,875 | 45,760 |
| 2019 | | | |
| Trade and other payables | 24,347 | - | 24,347 |
| Lease liability | 12,757 | 8,472 | 21,229 |
| | 37,104 | 8,472 | 45,576 |

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 2020 (2019: 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 and is funded through member subscriptions and grants. 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 2020, there was an increase in the income received from the Ajira Digital project and the PPD Program "Integrating Public-Private Sector Dialogue (PPD) for Trade and Investment in Kenya" due to increased activity on both significantly from the levels of activity for the same in the year 2019. During the year, there was also new funding for 3 other new programs/ projects besides the Ajira Digital project as follows; "Integrating Public-Private Sector Dialogue (PPD) for COVID response and Ecommerce "MSME Financing Facility" by and "Supporting an Inclusive and Multi-Sectoral Response to COVID-19" The expenditure met by the Company is made up of administration/operating costs and PPD/project costs. The PPD/projects expenditures increased mainly due to the additional projects mentioned above as well as a number of projects that were active in 2019 that had increased activity& progress in 2020 such as "Integrating Public-Private Sector Dialogue (PPD) for Trade and Investment in Kenya"- which spent Shs. 9.6M in 2019 and Shs. 43M in 2020 and the "Ajira Digital Project"- spent 11.4M in 2019 and 150M in 2020. In the year 2020, the company spent Shs. 25.7M (2019: 51.4M) to fund PPD activities from the general fund (as shown on the Income statement).

Deferred revenue represents contract liabilities for activities to be done with cash received in advance for projects. Equity over the years has been dictated by the surplus/deficits experienced during the periods.

5 Public Private Dialogue and Project Funds

| | Outstanding as at 1 Jan 2020 | Received/ (refunds) | Interest on Funds | Capital expenditure | Utilized during the year | Deferred revenue at 31 Dec 2020 |
|---|---------------------------------|------------------------|----------------------|------------------------|-----------------------------|---------------------------------------|
| | KSh'000' | KSh'000' | Ksh'000' | Ksh'000' | KSh'000' | KSh'000' |
| KEPSA Public Private Dialogue Funds | | | | | | |
| Institutional Strengthening and Policy Support Program | 409 | - | - | - | - | 409 |
| Promoting Sustainable Consumption and Production Practices and Eco-entrepreneurship | -465 | 465 | - | - | - | - |
| SME Policy Index Study, Presidential Round Table on NBA II and County Own Revenue Policy and Tax Bill | 5,140 | 1,131 | - | - | -4,972 | 1,299 |
| Integrating Public-Private Sector Dialogue (PPD) for Trade and Investment in Kenya | 11,428 | 76,465 | 473 | -134 | -40,645 | 47,587 |
| Business Sector Program Support | 306 | - | - | - | - | 306 |
| Business Hub | 4,327 | - | - | -127 | -3,461 | 739 |
| Countering Violent Extremism (CVE) on the Private Sector | 3,449 | - | - | - | - | 3,449 |
| Supporting an Inclusive and Multi-Sectoral Response to COVID-19 | - | 5,995 | 9 | - | -1,910 | 4,094 |
| MSME Financing Facility | - | 48,523 | 334 | -1,714 | -18,129 | 29,014 |
| KEPSA Foundation Projects | | | | | | |
| Support for Better Business Practices for Children | 1,519 | 10,868 | 30 | - | -10,338 | 2,079 |
| Mkenya Daima Project | 466 | - | - | - | -425 | 41 |
| Ajira Digital Project | 960 | 383,816 | 15,619 | -2,540 | -147,184 | 250,671 |
| Supporting Sustainable and Inclusive Business (SIBs) Sustainability Strategy 2017-2018 | 6,357 | 27,479 | 96 | -207 | -28,780 | 4,945 |
| Kilimani Police Station Redevelopment Project | 525 | 475 | 12 | - | - | 1,012 |
| Multi-Sectoral Initiative Against Corruption | -423 | - | - | - | 423 | - |
| Kijani Movement | 640 | - | - | - | - | 640 |
| Women- In Business | -239 | - | - | - | 239 | - |
| Foundation Admin | - | 1,745 | 2 | - | -1,127 | 620 |
| Lay Your Brick | 48 | - | 1 | - | - | 49 |
| | 34,447 | 556,962 | 16,576 | -4,723 | -256,308 | 346,953 |

5 Public Private Dialogue and Project Funds (continued)

| | Deferred revenue at 1 Jan 2019 | Received during the year | Earned during the year | Deferred revenue at 31 Dec 2019 |
|---|--------------------------------------|--------------------------------|------------------------------|---------------------------------------|
| | Shs '000 | Shs '000 | Shs '000 | Shs '000 |
| KEPSA Public Private Dialogue Funds | | | | |
| Enhancing Private Sector Participation in Government Reform | 930 | 363 | -1,292 | 1 |
| Institutional Strengthening and Policy Support Program | 409 | - | - | 409 |
| Promoting Sustainable Consumption and Production Practices and Eco-entrepreneurship | 4,642 | -2,553 | -2,554 | -465 |
| 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 Program 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 | 3449 |
| KEPSA Foundation Projects | | | | |
| Support for Better Business Practices 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 | 15,875 | -12,140 | 6,357 |
| Kilimani Police Station Redevelopment Project | 105 | 420 | - | 525 |
| Multi-Sectoral Initiative Against Corruption | 1,219 | 569 | -2,210 | -423 |
| Kijani Movement | 812 | - | -173 | 639 |
| Women- In Business | - | 3,686 | -3,925 | -239 |
| Lay Your Brick | - | 50 | -2 | 48 |
| | 26,608 | 85,635 | -77,797 | 34,447 |

Notes

| | 2020 Shs '000 | 2019 Shs '000 |
|--|------------------|------------------|
| 6 Membership subscriptions | 74,625 | 72,780 |
| 7 Other income | | |
| Bank interest | 1,242 | 722 |
| Events | 11,620 | 11,460 |
| Net foreign exchange loss | 1,581 | -69 |
| | 14,443 | 12,113 |
| 8 Finance cost | | |
| Finance cost on lease | 2,584 | 3,053 |
| 9 Administrative expenses | | |
| <i>Employment:</i> | | |
| Salaries and wages | 128,436 | 84,969 |
| NSSF | 615 | 456 |
| Staff development | 280 | 772 |
| Staff provident fund | 5,978 | 5,291 |
| Other Staff Costs | 11,200 | 8,670 |
| | 146,509 | 100,158 |
| <i>Other administrative expenses:</i> | 41 | 270 |
| Telephone, fax and postage | 494 | 946 |
| Parking | 1,779 | 2,014 |
| Internet and website | 189 | 990 |
| Printing, stationery and office supplies | 991 | 961 |
| External audit fees | 1,000 | - |
| Internal audit fees | 29 | 501 |
| Legal fees | 817 | 888 |
| Repair and maintenance | 429 | 215 |
| Professional fees | 30 | 49 |
| Office cleaning | 362 | 346 |
| Bank charges | 495 | 1,084 |
| Events and other meetings | 1,179 | - |
| Impairment provision for subscription receivable | | |
| | 7,835 | 8,264 |
| Total administrative expenses | 154,344 | 108,422 |

10 Establishment Expenses

| | 2020 Shs '000 | 2019 Shs '000 |
|-------------------------|------------------|------------------|
| Rent and rates | 2,464 | 2,036 |
| Insurance | 215 | 165 |
| Subscriptions | 310 | 123 |
| Licences | 48 | 45 |
| Repairs and maintenance | 958 | 1,118 |
| Depreciation expense | 9,455 | 7,989 |
| Other | 2,691 | 328 |
| | 16,141 | 11,804 |

11 Public Private Dialogue and Project Costs

| | | |
|-------------------------------------|----------------|---------------|
| Public Private Dialogue meetings | 23,371 | 39,478 |
| Business Forums & Trade Delegations | 1,796 | 4,768 |
| Printing | 212 | 2,782 |
| Telephone Cost | 717 | 401 |
| Consultancy | 99,859 | 36,247 |
| Transport Costs | 871 | 1,318 |
| Luncheons & Receptions | 58 | 462 |
| Stationery | 340 | 55 |
| | 127,224 | 85,511 |

12 Capital grant

| | | |
|-----------------------------------|--------------|--------------|
| At start of the year | 2,647 | 1,801 |
| Additions: Property and equipment | 4,723 | 1,871 |
| Less: Depreciation for the year | -1,475 | -1,025 |
| At end of year | 5,895 | 2,647 |

(Note14)

13 Taxation

The Interest income earned on the investment using the membership contribution is subjected to corporate tax at 25% (2019: 30%)

| | 2020 Ksh'000 | 2019 Ksh'000 |
|---|-----------------|-----------------|
| Taxable Profit/(Loss) | 1,242 | - |
| Being the Interest Income from Investment | | |
| Corporate tax @ 25% | 311 | - |
| Balance payable | 311 | - |

14 Property and equipment

| | Furniture, fittings & equipment Shs '000 | Computers, copiers & faxes Shs '000 | Total Shs '000 |
|---------------------------------|---|---|-------------------|
| Cost | | | |
| At start of year | 17,529 | 8,732 | 26,261 |
| Additions | 1,460 | 3,422 | 4,882 |
| At end of year | 18,989 | 12,154 | 31,143 |
| Accumulated depreciation | | | |
| At start of year | 15,073 | 7,447 | 22,520 |
| Annual depreciation | 741 | 1,159 | 1,900 |
| At end of year | 15,814 | 8,606 | 24,420 |
| Carrying amount | | | |
| At start of year | 2,456 | 1,285 | 3,741 |
| At end of year | 3,175 | 3,548 | 6,723 |

15 Intangible assets – software

| | 2020 Shs'000 | 2019 Shs'000 |
|---|-----------------|-----------------|
| Cost | | |
| At start of year | 7,231 | 7,193 |
| Additions | - | 38 |
| Asset write-off | - | - |
| At end of year | 7,231 | 7,231 |
| Accumulated amortization | | |
| At start of year | 6,962 | 6,634 |
| Amortization | 67 | 328 |
| Accumulated amortization on asset write-off | 75 | - |
| At end of year | 7,104 | 6,962 |
| Carrying amount | | |
| At start of year | 269 | 559 |
| At end of year | 127 | 269 |

16 Trade and other receivables

| | 2020 Shs'000 | 2019 Shs'000 |
|----------------------------|-----------------|-----------------|
| Membership fees receivable | 1,805 | 709 |
| Provision for Impairment | -1,179 | - |
| | 626 | 709 |
| Rent and other deposits | 1,214 | 1,104 |
| Prepayments | 1,084 | 723 |
| Other receivables | - | 1,161 |
| | 2,924 | 3,697 |

17 Right of use asset

| | | |
|------------------------|--------|--------|
| At 1 January | 20,230 | - |
| On adoption of IFRS 16 | - | 26,244 |
| Depreciation | -6,660 | -6,014 |
| | 13,570 | 20,230 |

18 Cash and bank balances

| | | |
|--------------|--------|-------|
| Cash at bank | 69,842 | 4,520 |
| Cash in hand | 500 | 1 |
| | 70,342 | 4,521 |

Cash and cash equivalent

| | | |
|------------------------|---------|-------|
| Cash and bank balances | 70,342 | 4,521 |
| Short-term investments | 301,268 | - |
| | 371,610 | 4,521 |

19 Short term investment

KEPSA has invested in the fixed and call deposits with NCBA Bank.

The effective return during the period was 7%

| | 2020 | 2019 |
|---------------|----------------|----------|
| | Shs'000 | Shs'000 |
| Call deposit | 2,000 | - |
| Fixed deposit | 299,268 | - |
| | 301,268 | - |

20 Trade and other payables

| | 2020 | 2019 |
|-------------------------|---------------|---------------|
| | Shs '000 | Shs '000 |
| Trade Payables | 14,897 | 12,675 |
| Prepaid Membership fees | 11,682 | 10,200 |
| Other payables | 2,196 | 1,472 |
| Deferred Discount | 640 | - |
| | 29,415 | 24,347 |

21 Lease liability

| | 2020 | 2019 |
|------------------------------|---------------|---------------|
| | Shs '000 | Shs '000 |
| As at 1 January | 21,229 | - |
| On adoption of IFRS 16 | - | 26,245 |
| Interest for the period | 2,584 | 3,053 |
| Lease payments in the period | -7,468 | -8,069 |
| | 16,345 | 21,229 |
| | | |
| Non-current lease liability | 7,875 | 8,472 |
| Current lease liability | 8,470 | 12,757 |

22 Commitments

There were no capital commitments at 31 December 2020 (2019: Nil)

23 Contingent liabilities

There were no contingent liabilities at 31 December 2020 (2019: Nil)

24 Directors' remuneration

There were no fees paid to directors for their services at 31 December 2020 (2019: Nil)

KEPSA Members 2020-2021

KEPSA BUSINESS ASSOCIATIONS

| | | | | | |
|----|---|----|---|----|--|
| 1 | African Women in Agribusiness Network - Kenya Chapter (AWAN) | 19 | Chartered Institute of Arbitrators-Kenya | 37 | Institute of Internal Auditors |
| 2 | Agricultural Council of Kenya | 20 | Clean Cooking Association Of Kenya | 38 | Institute of Quantity Surveyors of Kenya |
| 3 | Agricultural Employers' Association | 21 | Creative Society of Kenya | 39 | Institution of Engineering Technologists and Technicians |
| 4 | Agriculture Sector Network | 22 | Delegation of German Industry and Commerce of Kenya | 40 | Institution of Engineers of Kenya |
| 5 | Agrochemicals Association of Kenya | 23 | Domain Registrars Association of Kenya | 41 | Institution of Surveyors of Kenya |
| 6 | American Chamber of Commerce of Kenya | 24 | East Africa Petroleum Transporters Association | 42 | Inter-County Young Entrepreneurs and Professionals Association |
| 7 | Architectural Association of Kenya | 25 | East Africa Private Equity & Venture Capital Association | 43 | International Relations society of Kenya |
| 8 | Association of Consulting Engineers of Kenya | 26 | East African Tea Trade Association | 44 | Kenya Agribusiness and Agroindustry Alliance |
| 9 | Association of Gaming Operators - Kenya | 27 | Eastern Africa Grain Council | 45 | Kenya Association of Air Operators |
| 10 | Association of Kenya Feed Manufacturers | 28 | Electronic Cargo Tracking Systems Providers Association of Kenya (EPAK) | 46 | Kenya Association of Independent International Schools |
| 11 | Association of Kenya Insurers | 29 | Environment Institute of Kenya | 47 | Kenya Association of Manufacturers |
| 12 | Association of Practitioners in Advertising | 30 | Event Managers Association of Kenya | 48 | Kenya Association of Pharmaceutical Industry |
| 13 | Association of Public Relations and Communications Management | 31 | Federation of Kenya Employers | 49 | Kenya Association of Travel Agents |
| 14 | Association of Women in Energy Extractives | 32 | Federation of Women Entrepreneurs Associations | 50 | Kenya Association of women Business Owners |
| 15 | Automobile Association of Kenya | 33 | Film & Exhibitions Distribution of Kenya | 51 | Kenya Association of Women in Tourism |
| 16 | British Chambers of Commerce Kenya | 34 | FundiTech Co-operative Society | 52 | Kenya Auto Bazaar Association |
| 17 | Business Ireland Kenya Association (BIK) | 35 | Institute of Certified Public Accountants of Kenya | 53 | Kenya Bankers Association |
| 18 | Car Importers Association of Kenya | 36 | Institute of Certified Secretaries | 54 | Kenya Biogas Stakeholders Network |

KEPSA Members 2020-2021

KEPSA BUSINESS ASSOCIATIONS

| | | | | | |
|----|---|----|--|-----|---|
| 55 | Kenya Chamber of Mines | 73 | Kenya Tourism Federation | 91 | Petroleum Outlets Association of Kenya |
| 56 | Kenya Forex & Remittance Association | 74 | Kenya Transporters Association | 92 | Pharmaceutical Society of Kenya |
| 57 | Kenya Green Building Society | 75 | Kenya Water Industry Association | 93 | Protective Security Industry Association |
| 58 | Kenya Healthcare Federation | 76 | Kenya Women Teachers Association | 94 | Public Relations Society of Kenya |
| 59 | Kenya Institute of Planners | 77 | Laikipia Farmers Association 2014 | 95 | Retail Trade Association of Kenya |
| 60 | Kenya Institute of Supplies Management | 78 | Law Society of Kenya | 96 | Roads & Civil Engineering Contractors Association |
| 61 | Kenya International Freight & Warehousing Association | 79 | Leasing Association of Kenya | 97 | Safaricom Dealers Association |
| 62 | Kenya Motor Industry Association | 80 | Marketing & Social Research Association | 98 | Seed Trade Association of Kenya (STAK) |
| 63 | Kenya Motor Repairers Association | 81 | Marketing Society of Kenya | 99 | Shopping Centres Association of Kenya |
| 64 | Kenya National Association of Private Colleges | 82 | Meat and Livestock Exporters Industry Council of Kenya | 100 | SME Founders Association |
| 65 | Kenya National Federation of Jua Kali Associations | 83 | Music Associations Alliance of Kenya | 101 | Social Enterprise Society of Kenya |
| 66 | Kenya Oil & Gas Association | 84 | Nairobi Institute of Technology | 102 | Society of Crop Agribusiness Advisors of Kenya |
| 67 | Kenya Private Schools Association | 85 | National Association of Private Universities in Kenya | 103 | Technology Service Providers of Kenya |
| 68 | Kenya Property Developers Association | 86 | National Potato Council of Kenya | 104 | The Kenya Flower Council |
| 69 | Kenya Renewable Energy Association | 87 | National Society For Women Entrepreneurs Kenya | 105 | Town and County Planners Association of Kenya |
| 70 | Kenya Security Industry Association | 88 | Oil and Gas Contractors Association | 106 | Trade Link Association of Kenya |
| 71 | Kenya Ships Agents Association | 89 | Organization of Women in International Trade (Nairobi Chapter) | 107 | United Business Association |
| 72 | Kenya Tea Growers Association | 90 | Petroleum Institute of East Africa | 108 | Women in Business Community Network |

KEPSA Members 2020-2021

KEPSA CORPORATE MEMBERS

| | | | | | |
|----|--|----|--|-----|---|
| 1 | Abraham Energy Limited | 43 | BDP International Limited | 85 | Chipukizi VOD Cooperative Society |
| 2 | Accurite Diagnostics | 44 | Beaurick General Supplies Ltd | 86 | Christ Community Community |
| 3 | Actis Kenya Limited | 45 | Bechtel-BNT Construction & Engineering Kenya Limited | 87 | Citibank N.A |
| 4 | Adrian Kenya Limited | 46 | Bedi Investments | 88 | Citrus Labs Limited |
| 5 | Africa Digital Media Institute | 47 | Belabry Luxury Square | 89 | City Drop Ventures |
| 6 | Africa Practice East Africa Limited | 48 | Beldina's Delicacies | 90 | Clarance Enterprises |
| 7 | Africa Social Financing Centre Holding Limited | 49 | Belfrics Kenya Limited | 91 | Clique Solutions Limited |
| 8 | African Management Initiative | 50 | Benchmark Distributors Limited | 92 | CMA CGM Kenya Limited |
| 9 | Afro Siri Limited | 51 | Beyond Borders Limited | 93 | CMC Motors Group Limited |
| 10 | Agri Experience | 52 | Bidco Africa Limited | 94 | Coca Cola East & Central Africa |
| 11 | Agrisolve Farmcare Enterprises | 53 | Biogas Holdings E.A. Limited | 95 | Codesign |
| 12 | AlG Kenya Limited | 54 | Bismart Insurance Agency | 96 | Coffea Arabica Limited |
| 13 | Air Paradise | 55 | Biznegize Limited | 97 | Comps Venture Limited |
| 14 | Airtel Kenya Limited | 56 | Blackberry House Limited | 98 | Computer Pride |
| 15 | Akiira Geothermal Limited | 57 | Blue Nile Rolling Mills Limited | 99 | Control Risks East Africa Limited |
| 16 | Alex Gabriel Photography | 58 | Blue Sky Films (EPZ) Limited | 100 | Cooper-K Brand Limited |
| 17 | All for Cars International Limited | 59 | Blue Sparkles Services Limited | 101 | Copia Kenya |
| 18 | All Stars Mtumba Kenya Limited | 60 | Bluechip Items Traders | 102 | CPF Group |
| 19 | Alternatives Africa Limited | 61 | Bluwave Insurance Agency Limited | 103 | Craft Barrels Limited |
| 20 | Amazon Web Services | 62 | BOC Kenya PLC | 104 | Crafts With Meaning Limited |
| 21 | A-Motor Centre Enterprise | 63 | Bollore Transport & Logistics (K) Limited | 105 | Crestwood Marketing & Communications- |
| 22 | Amsale & Amresh Supplies Enterprises Limited | 64 | Boston Consulting Group | 106 | CrossBoundary Energy Kenya Limited |
| 23 | Anchor Marketing | 65 | Bramex Courier Services | 107 | Custody and Registrars Services Limited |
| 24 | Apec Consortium Limited | 66 | Brands and Beyond Limited | 108 | Dalberg Global Development Advisors |
| 25 | APP 4 Jobs Limited | 67 | Bridge International Academies Limited | 109 | Dallas Technoprisers |
| 26 | APT Commodities Limited | 68 | Bridgenet Global Consulting Limited | 110 | Danco Capital Limited |
| 27 | Ardhi Lords Real Estate | 69 | Bridotty Group Limited | 111 | Darda Taxyrdes Limited |
| 28 | Artroid Design World Arts | 70 | Brigan Solutions Limited | 112 | Davis & Shirliff Limited |
| 29 | ASAL Frontiers Limited | 71 | Bright Vision Media Limited | 113 | Davmac International Limited-joining |
| 30 | Asame Pride Tours And Travels | 72 | Brightermonday.com Limited | 114 | Dawa Limited |
| 31 | Associated Battery Manufacturers (E.A) Limited | 73 | British American Tobacco Plc | 115 | Decapoli Engineering |
| 32 | Astral Aviation Limited | 74 | Brookside Dairy Limited | 116 | Dee & Dee Royal |
| 33 | ATC Kenya Operations Limited | 75 | Bumblebee Sports and Fitness Limited | 117 | Deep Valley Frontiers Limited |
| 34 | Aviation& General Security Con | 76 | Career Directions Limited | 118 | Deloitte Limited |
| 35 | Avidel Enterprise Limited | 77 | Carepay Limited | 119 | Desra Ventures Limited |
| 36 | Ayanna Shea Africa Organics | 78 | Ceer Processing Limited | 120 | Devachi Technologies Limited |
| 37 | B. Braun Medical (K) Limited | 79 | Cekeha Enterprises Limited | 121 | DHL Worldwide Express Kenya Limited |
| 38 | B2B Africa Limited | 80 | Centum Investment Company Limited | 122 | Dial A Home Limited |
| 39 | Bamburi Cement Limited | 81 | Cerberrus Engineering Limited | 123 | Dik Dik Property Limited |
| 40 | Base Titanium Limited | 82 | Cetros Company Limited | 124 | Dorfkem Limited |
| 41 | Bata Shoe Kenya PLC | 83 | Chandaria Group | 125 | Dorion Associates |
| 42 | Bayer East Africa | 84 | Chawang Engineering Enterprises Limited | 126 | Doshi & Company (Hardware) Ltd |

KEPSA Members 2020-2021

KEPSA CORPORATE MEMBERS

| | | | | | |
|-----|---|-----|--|-----|---|
| 127 | Dow Chemicals East Africa Limited | 169 | G-Ajiri FieldtechsLtd | 211 | Ignite Trade Africa Limited |
| 128 | Duka Technologies Limited | 170 | Gambi International Limited | 212 | Incentro Africa Limited |
| 129 | E- moto Limited | 171 | Ganatra Plant & Equipment Limited | 213 | Industrial & Commercial Development Corporation |
| 130 | East African Breweries | 172 | Gateway Clean Energy (Africa) Limited | 214 | Infinity Development Limited |
| 131 | Easy Duka Limited | 173 | Gatto Commodities Limited | 215 | Integrall Group Limited |
| 132 | E-Cart Services Limited (Jumia Ltd) | 174 | GE East Africa Services Limited | 216 | Intercity Secure Homes Limited |
| 133 | Ecobank Kenya Limited | 175 | Gems Skills Kenya Limited | 217 | Interintel Technologies Limited |
| 134 | Econome | 176 | Genghis Capital Limited | 218 | Internet Solutions Kenya Limited |
| 135 | Elecster Kenya Limited | 177 | Genie Telkom | 219 | Ipsos Limited |
| 136 | Elgon Kenya Limited | 178 | Gennis Consulting Limited | 220 | Isuzu East Africa |
| 137 | Elimu Digital Media | 179 | GeoNet Communications Limited | 221 | Jamii Telecommunications Limited |
| 138 | Emerging Leaders Foundation | 180 | GEPS Consultancy | 222 | Janpro Limited |
| 139 | Emobilis Technology Academy | 181 | Gertrude's Children's Hospital | 223 | Jawabu Interiors |
| 140 | Empire Feeds Limited | 182 | Gervia Advocates LLP | 224 | JC Solutions Limited |
| 141 | Enel Green Power Kenya Limited | 183 | Global & Rapid Services | 225 | Jijenge Credit Limited |
| 142 | Engie Eastern Africa Limited | 184 | Global Forensic Services Limited | 226 | JNO Advocates LLP |
| 143 | English Press Limited | 185 | Globeleq Kenya Limited | 227 | Jobsikaz Afrique Limited |
| 144 | Eselle Group | 186 | Go Gaga Experiential Co. Limited | 228 | Johnson & Johnson |
| 145 | Esri Eastern Africa Limited | 187 | Godel Limited | 229 | Jooqwah Limited |
| 146 | Esskip Limited | 188 | Good Testimony Junior School Limited | 230 | Juza Africa Limited |
| 147 | Esteem Group Limited | 189 | Google Kenya Limited | 231 | Kakia Oils Limited |
| 148 | Euro-Fresh Exotics | 190 | Gotabet Nurseries Company Limited | 232 | Karanja Njenga, Advocates |
| 149 | Expertise Global Consulting | 191 | Governance Solutions Center Limited | 233 | KaziRemote Limited |
| 150 | Express Communications Limited | 192 | Grain Industries Limited | 234 | Kazmar Limited |
| 151 | Facebook | 193 | Grandlens Company Limited | 235 | KEEKAPU Grocers Limited |
| 152 | Fairmont Hotels and Resorts Kenya | 194 | Grant Thornton Management Limited | 236 | Kelatex Designers |
| 153 | FAPCL Group | 195 | Greenlight Planet Kenya Ltd | 237 | Kenchic Limited |
| 154 | Farm Africa | 196 | Guardnow Security Group (K) Limited | 238 | Keneji Enterprises Limited |
| 155 | Fashion Eden | 197 | Guava Well-being Partners Limited | 239 | Kenergy Renewables Limited |
| 156 | Fifi Fresh | 198 | Halal Premier International Limited | 240 | Kengas Logistics Limited |
| 157 | Firstfin Africa Direct Ltd | 199 | Haleki Enterprises | 241 | Kenwest Cables Limited |
| 158 | Flamingo Horticulture Kenya Limited | 200 | Healthy U Two Thousand Limited | 242 | Kenya Bus Service Management Limited |
| 159 | Flomsa Limited | 201 | Hellena Salon And Cosmetics | 243 | Kenya Markets Trust |
| 160 | Fouth Generation Capital Limited | 202 | Hirsi & Harrods Limited | 244 | Kenya Pipeline Company Limited |
| 161 | Framine Limited | 203 | Home-Run Holdings Limited | 245 | Kenya Power & Lighting Company |
| 162 | Freight Forwarders Kenya Limited | 204 | Hope Tech Plus Limited | 246 | Kenya Tea Packers Limited |
| 163 | French Society in Kenya | 205 | Hospitality Systems Consultants Limited | 247 | Kenya Wine Agencies Limited |
| 164 | Frontier Investment Management Africa Limited | 206 | Huawei Technologies (Kenya)-2020 Membership | 248 | Kijani- Eco Solutions Limited |
| 165 | Funditech Cooperative Society Ltd | 207 | Human Capital Synergies Africa (HCS) Limited | 249 | Kikambala Wellness Center |
| 166 | Fushia Kenya Limited | 208 | IBL International Limited | 250 | Kilimall International |
| 167 | Fusion Capital Limited | 209 | IBM East Africa | 251 | Kilimo Taalam |
| 168 | G4S Kenya Limited | 210 | Iden Enterprises Limited | 252 | Kiptinness & Odhiambo Associates |

KEPSA Members 2020-2021

KEPSA CORPORATE MEMBERS

| | | | | | |
|-----|--|-----|--|-----|---|
| 253 | Klen Gas Suppliers | 295 | Meltivated Farms | 337 | OCS (Ojiambo Consulting Services) |
| 254 | Koko Networks | 296 | Melvin Marsh International Limited | 338 | Ogilvy Public Relations |
| 255 | Konza Technopolis Development | 297 | Merican Limited | 339 | Ogututu & Associates Advocates |
| 256 | KPMG Kenya | 298 | Microcity (K) Limited | 340 | Ohana Family Wear Limited |
| 257 | KTDA Management Services Limited | 299 | Microsoft East and Southern Africa | 341 | One Acre Fund |
| 258 | Kulamawe Poultry Farm Limited | 300 | Millennial Speak | 342 | One Sky Garden Limited |
| 259 | KUSCCO Limited | 301 | Milush Enterprises Ltd | 343 | Openworld Business Africa |
| 260 | Kwale International Sugar Company Limited | 302 | Mini Me Kids | 344 | Optiven Limited |
| 261 | Lactacare Kenya Limited | 303 | Miriam Kanya & Associates | 345 | Oracle Corporation |
| 262 | Laetion Wealthy Management Service | 304 | Mitsa Elengos Limited | 346 | Osho Chemical Industries Limited |
| 263 | Laetion Wealthy Management Service | 305 | MK Light Africa Right Limited | 347 | P&G Distribution East Africa Limited |
| 264 | Lafemme Salon Spa & Gym | 306 | M-KOPA Solar Kenya Limited | 348 | P. Kamau & Kamau Advocates LLP |
| 265 | Lawyers Hub Kenya | 307 | Mobisoko Solutions Limited | 349 | Pacific Africa Group Limited |
| 266 | LeahBells Enterprises | 308 | Modern Safaris Limited | 350 | Panafrican Equipment (Kenya) Limited |
| 267 | Legend Mekari Business Solutions Limited | 309 | Momentum Credit Limited | 351 | Passion Food Limited |
| 268 | Leud Chemicals | 310 | Monets Limited | 352 | Paytree Group Limited |
| 269 | Liaison Group (I.B) Limited | 311 | Msingi East Africa Limited | 353 | Pearltek Kenya Limited |
| 270 | Lineplast Group Limited (Plast Packaging Industries Limited) | 312 | Mtenders Africa Limited | 354 | Perisquare Company Limited |
| 271 | Linvest Consultancy | 313 | Muhoya-Tetu Limited | 355 | Philafe Engineering Limited |
| 272 | Liquid Telecommunication Kenya | 314 | Mukiri Global Advocates | 356 | Pinnacle Productions East Africa Limited |
| 273 | Little Einsteins East Africa | 315 | MW & Company Advocates LLP | 357 | Pippy Leather Works |
| 274 | Longitude Finance | 316 | Mwembe and Mwembe Associates | 358 | PK Group Production Limited |
| 275 | Lori Systems Limited | 317 | Mycredit Limited | 359 | PKF Kenya |
| 276 | LRMG Proprietary Limited | 318 | myfugo Innovations Limited | 360 | Planon Solutions Limited |
| 277 | Ludique Works | 319 | Nairobi Inland Cargo Terminal | 361 | POA Internet Kenya Limited |
| 278 | Lued (A) Chemicals Ltd | 320 | Nairobi Securities Exchange | 362 | Polish Investment & Trade Agency - Nairobi Office |
| 279 | Lukenya High School Limited | 321 | National Society For Women Entrepreneurs Kenya | 363 | Pollucare Cleaners |
| 280 | Lydia Agency Twenty | 322 | Nave Trade Investment | 364 | Polucon Services (K) Limited |
| 281 | Mabati Rolling Mills Limited | 323 | NCBA Bank Kenya Plc | 365 | Premier Academy |
| 282 | Madison Group Limited | 324 | Nemsi Holdings Limited | 366 | PricewaterhouseCoopers Limited |
| 283 | Maersk Kenya Limited | 325 | Netcore Links Limited | 367 | Prideinn Hotels & Investments Limited |
| 284 | Mafleva International- | 326 | Nexton Limited | 368 | Primavera Farms Limited |
| 285 | Maghreb Investment Limited | 327 | Ngamia Haulers Limited | 369 | PTG Travel Limited |
| 286 | Makkflex Systems Limited | 328 | Nickel Marketing Limited | 370 | Purple Valley Limited |
| 287 | Malta Group Limited | 329 | Norkan Beauty Boutique | 371 | Raino Tech4impact Limited |
| 288 | Mama Sam Dressmaking | 330 | Nouveta Limited | 372 | Ravenswood Limited |
| 289 | Maramoja Transport Limited | 331 | Nurse in Hand | 373 | Raziel Group Limited |
| 290 | Maris Kenya Limited | 332 | Nutri You Farm & Shop Limited | 374 | Redhouse Group Limited |
| 291 | Mars Wrigley Confectionery Kenya Ltd | 333 | Oakar Services Limited | 375 | Rentco East Africa Limited |
| 292 | Marubeni Corporation | 334 | Oaktree Capital Limited | 376 | RentWorks East Africa Limited |
| 293 | Mckinsey & Company | 335 | OBG Company Limited | 377 | Rescue Integrated Initiative Limited |
| 294 | Mega Garments Industries Kena (IPZ Limited) | 336 | OCP Kenya Limited | 378 | Resolution Health Limited |

KEPSA Members 2020-2021

KEPSA CORPORATE MEMBERS

| | | | | | |
|-----|---|-----|---|-----|--|
| 379 | Resorts & Cities | 418 | Spaceman Warehouse | 457 | Trulink Solutions Limited |
| 380 | Rexe Roofing Products Limited | 419 | Spart Freight Logistics Limited | 458 | Tulow Kenya B.V |
| 381 | Riara Group of Schools | 420 | Springfield Services Limited | 459 | Tungatunga Hcraft |
| 382 | Rift Valley Institute of Business Studies | 421 | St. Nicholas Junior Academy- Embakasi | 460 | Turea Limited/Dr. Mattres |
| 383 | Riwarki Limited | 422 | Stanbic Bank | 461 | Twiga Chemical Industries Limited |
| 384 | Royal Floral Holland Kenya Ltd | 423 | Standard Chartered Bank Kenya Limited | 462 | Twiga Foods Limited |
| 385 | RSM Eastern Africa LLP | 424 | Star Beam Venture | 463 | UAP OLD MUTUAL GROUP |
| 386 | RWK & Associates CPA(K) | 425 | Starture Enterprises | 464 | UBA Kenya Bank Limited |
| 387 | Sachi General Supplies | 426 | Sunculture Kenya Limited | 465 | Uber Kenya Limited |
| 388 | Safaricom Limited | 427 | Sunvine Africa | 466 | Ultravetis E.A. Limited |
| 389 | Saillon Pharma Limited | 428 | Suruvi Homecare services | 467 | UNAIDISA Services Limited |
| 390 | Samnaks Investments | 429 | Synergy Industrial Credit Ltd-2020 Membership | 468 | Urembo Hub Limited |
| 391 | Samrut Traders | 430 | T3 EPZ LIMITED | 469 | Valentine Trader |
| 392 | Saola Maternity Home | 431 | Tata chemicals Magadi | 470 | Vantage Homes Limited |
| 393 | Sarova Hotels Limited | 432 | Tawi Milele Springs Limited | 471 | VAS Consulting Limited |
| 394 | Savannah Cement Limited | 433 | Taxify Kenya Limited | 472 | Vegemark Limited |
| 395 | Sayani Investments Limited | 434 | Tech Innovators Network Think Tank Ltd | 473 | Vehicle & Equipment Leasing Limited (VAEL) |
| 396 | Scania East Africa Limited | 435 | Tecnofin Kenya Limited | 474 | Vermarc Limited |
| 397 | Schneider Electric (K) Limited | 436 | Telescope Medical Technologies | 475 | Victory Farms |
| 398 | Senaca East Africa Limited | 437 | Telesky Limited | 476 | Villagio Travel and Tour Limited |
| 399 | Sensei Institute of Technology | 438 | Tembea Africa Tours and Travel Limied | 477 | Vintage Baby Kenya Limited |
| 400 | Seven Seas Technologies Limited | 439 | Tetra Pak Limited | 478 | VISA CEMEA Holdings Limited |
| 401 | SGS Kenya Limited | 440 | The Antlia Company | 479 | Vision on the Go |
| 402 | Shammah International Agency Limited | 441 | The Helios Group Limited | 480 | VitalRay Health Solutions |
| 403 | Shammah Rown Group Limited | 442 | The Karen Hospital Limited | 481 | Viva Africa Consulting LLP |
| 404 | Sharlton Security & Private Investigation Service | 443 | The Nairobi Hospital | 482 | Vivo Energy Kenya Limited |
| 405 | Sheth Naturals Limited | 444 | The Qibanda Solutions | 483 | Waste Electrical and Electronic Equipment Centre (WEEE Centre) |
| 406 | Shop 39 Naabui | 445 | The SME Support Centre Limited | 484 | Waysouth Company Limited |
| 407 | Silikon Consulting Group Limited | 446 | The Standard Group Limited | 485 | Wells Fargo Limited |
| 408 | Simba Corporation Limited | 447 | The Village Creative Limited | 486 | Wellwise Healthcare Solutions Ltd. |
| 409 | Simplyme Speciality | 448 | Tilan Investments | 487 | West Kenya Sugar Company Limited |
| 410 | Sinclair Enterprises Limited | 449 | Tilisi Developments Plc | 488 | Whathpop company Limited |
| 411 | Sky Lane Safaris Limited | 450 | Tira Studio Limited | 489 | WildlifeDirect Kenya Limited |
| 412 | SLO Industrial and Projects Limited | 451 | Tokoyasu Solutions Limited | 490 | Wowzi Technologies Limited |
| 413 | Snetor East Africa Limited | 452 | Trans Business Machines Limited | 491 | Yasura Entreprises |
| 414 | Solidaridad Eastern and Central Africa Expertise Centre | 453 | Transend Media Group | 492 | Yusudi Limited |
| 415 | Soni Technical Services Limited | 454 | Trevmak Construction Company Limited | 493 | Zenka Finance Limited |
| 416 | SOWITEC Kenya Limited | 455 | Trinity Energy | | |
| 417 | Space and Style Limited | 456 | Trinity Magnolia Printers | | |







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