



The Voice of the Private Sector in Kenya

2021

**Annual Report &
Financial Statements**

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About KEPSA



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:

1

**EASE OF DOING
BUSINESS INDEX**
(WORLD BANK)

2

**GLOBAL
COMPETITIVENESS
INDEX**
(WORLD ECONOMIC FORUM)

3

BRIBERY INDEX
(TRANSPARENCY INTERNATIONAL)

4

**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 & 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.

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.

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.

REGIONAL ENGAGEMENTS

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

GLOBAL ENGAGEMENTS

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



KEPSA LEADERSHIP

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

Board of Directors



Flora Mutahi

Chair



Jaswinder Bedi

Vice - Chair | Trade & Continental Investments



Eng. James N. Mwangi

Energy & Extractives



Nicholas Nesbitt

Technology and Regional Investments



Catherine Musakali

Governance and Leadership



Dr. Elizabeth Wala

Health & Social Sectors



Mucai Kuniya

Industrialization & Local Investments



Stephen Gitagama

Media & Communication



Gichuhi Allen Waiyaki

Legal & Professionals



Graham Shaw

Global Partnerships,
Sports and Culture Development



Dr. Bimal Kantaria

Food Security and Climate Change



Mr. John Gachora

Finance & Macro-economic
Environment



Mr. Michael Macharia

Labour & Tourism



Eva Muraya

Gender and Small & Medium Enterprises



Darren Gillen

Foreign Investments



Troy Yue

Transport and Construction

KEPSA Management



Carole Kariuki

CHIEF EXECUTIVE OFFICER



Victor Ogalo

DEPUTY CEO-
COMPETITIVENESS
& OPERATIONS



Martha Cheruto

DEPUTY C.E.O-
FOUNDATION & PROJECTS



Aphlyne Agina

HEAD OF OPERATIONS



Pascalina Kagunda

HEAD, MEMBERSHIP



Harrison Ngatia

HEAD OF PROJECTS



Agatha Juma

HEAD OF PPD



Ehud Gachugu

PROJECT DIRECTOR-AJIRA



Karin Boomsma

PROJECT DIRECTOR- SIB-K



Patrick Maingi

PPD SPECIALIST



Hilda Muchunku

FINANCE MANAGER



Anne Katule

KEPSA FOUNDATION
ADMINISTRATOR



Ebenezer Amadi

PROGRAM MANAGER SIB-K



Timothy Odongo

BUSINESS HUB MANAGER



Wangui Mbiriti

M & E MANAGER-AJIRA



Boniface Mutinda

COMMUNICATION &
DIGITAL MEDIA OFFICER

KEPSA Management



Faith Ngige
PPD OFFICER



Benjamin Musungu
PPD OFFICER



Davilyne Busuru
POLICY & REGULATORY
COMPLIANCE ANALYST



Joyner Okonjo
LEGAL ADVISOR



Eric Ndume
PROCUREMENT OFFICER



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



Jared Maranga
SENIOR EGOVERNMENT
PROJECT OFFICER- AJIRA



Gregory Nyakwara
TECHNICAL PRODUCT
OWNER-AJIRA



James Kuria
PROJECT OFFICER- PRIVATE
SECTOR ENGAGEMENT- AJIRA



Rachel Gathu
PROJECT OFFICER- PRIVATE
SECTOR ENGAGEMENT- AJIRA



Llyord Mwaniki
POLICY ADVOCACY OFFICER-
EGOVERNMENT-AJIRA



Gracemary Muchiri
COMMUNICATIONS &
MARKETING OFFICER-AJIRA



Michael Mutisya
M & E AND
DATA OFFICER- AJIRA



Nicholas Machoni
E-LEARNING OFFICER-AJIRA



Reginah Ndung'e
PROJECT ACCOUNTANT-AJIRA



Caroline Kawira
PROJECT OFFICER-UNICEF

KEPSA Management



Patrick Wandare
PROJECT OFFICER-
CIPE PROJECT/LEGAL



Susan Mbula
COMMUNICATIONS
CONSULTANT



Francis Njiri
ACCOUNTANT



Judy Makau
EXECUTIVE ASSISTANT



Susan Nganga
PROJECT ASSISTANT-
FOUNDATION



Phyllis Ndothya
PROJECT ASSISTANT- AJIRA



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



Shyne Richu
MEMBERSHIP &
MARKETING ASSISTANT



Fridah Kagwiria
OFFICE ASSISTANT



Jeremiah Kiplagat
PRA ASSISTANT



Ronaldo Juma
PRA ASSISTANT



Raymond Mwangi
DRIVER & OFFICE ASSISTANT



Joy Wangari
HR & ADMIN ASSISTANT



Muthoni Muturi
BUSINESS HUB ASSISTANT



Nancy Melly
COMMUNICATIONS
ASSISTANT-SIB-K

Trustees



Eng. Patrick Obath
CHAIR



Ms. Gloria Ndekei
VICE -CHAIR



Arch. Lee Karuri
IMMEDIATE PAST CHAIR



Ms. Carole Karuga
SECRETARY



Amb. Dennis Awori
TRUSTEE



Ms. Lucy Karume
TRUSTEE



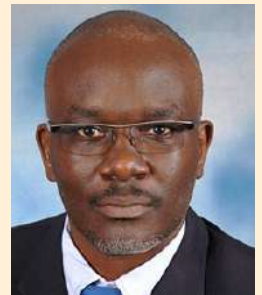
Dr. Manu Chandaria
TRUSTEE



Mr. Bill Lay
TRUSTEE



Mr. Arun Devani
TRUSTEE



Mr. Isaac Okero
TRUSTEE



Eng. Erastus Mwangera
TRUSTEE



Mr. Sam Mwale
TRUSTEE



Ms. Felicity Biriri
TRUSTEE



Dr. Vimal Shah
TRUSTEE



Mr. Nicholas Nesbitt
TRUSTEE



Flora Mutahi
TRUSTEE



Francis Munywoki
TRUSTEE



Brenda Mbathi
TRUSTEE



Sun Mengxin
TRUSTEE

Advisors



Mr. Linus Gitahi



Mr. Isaac Awuondo



Mr. Janmohamed Mahmud



Dr. Vimal Shah



Ms. Gloria Ndekei



Mr. Samuel Mwale



Dr. Manu Chandaria



Mr. Patrick Obath



Mr. Mike Eldon



Arch. Lee Karuri



Mr. Jaswinder Bedi



Ms. Felicity Biriri



Hon. Francis T. Nyammo



Mr. Ken Wathome



Ms. Rita Kavashe



Mr. Pradeep Paunrana



Ms. Patricia Ithau



Mr. Nik Nesbitt



Mr. Muhoho Kenyatta



Mr. Jeremy Awori



Amb. Dennis Awori



Mr. Japh Olende



Mr. Edwin Macharia



Mr. David Gatende



Dr. Amit Thakker



Mr. John Ngumi

Governing Council Chairs



Mr. Richard Fernandes

Agriculture, Livestock
& Fisheries



Mr. Hillary Onami

Devolution & Planning



Mr. Alfred K'ombudo

East African Community
& Affairs



Mr. James Mureu

Economic Diplomacy



Dr. Vincent Gaitho

Education



Mr. George Aluru

Energy & Extractives



Ms. Emily Waita

Environment, Water &
Natural Resources



Ms. Mucha Mlingo

Gender



Dr. Kanyenje Gakombe

Health



Mr. Ben Roberts

ICT & Youth



Ms. Susan Maingi

Industrialization & Trade



Mr. Mark Obuya

Labour



Mr. V. Gikonyo Gitonga

Lands & Physical Planning



Mr. Ashif Kassam

Public Finance



Ms. Annette Kimitei

Security



Ms. Mary Ngechu

SME



Mr. Herbert Mwachiro

Sports, Culture & Arts



Mr. Fredrick Odek

Tourism



Mr. Thomas Yongo

Transport and Infrastructure

Governing Council Vice Chairs



Mrs. Jane Ngige
Agriculture, Livestock & Fisheries



Mr. Kangangi Wanjohi
Devolution & Planning



Ms. Wambui Mbarire
Devolution & Planning



Ms. Faith Wathome Kithu
East African Community & Trade



Ms. Angela Nganga
Economic Diplomacy



Ms. Wairimu Njage
Education (Basic)



Ms. Pricilla Kerebi
Education (Tertiary)



Dr. Melba Wasunna
Energy and Extractives (Mining)



Mr. Genesisio Mugo
Energy and Extractives (Petroleum)



Ms. Karen Basiye
Environment, Water and Natural Resources



Dr. John Wandaka
Environment, Water & Natural Resources



Ms. Mercy Okiro
Gender



Dr. Anastasia Nyalita
Health



Mr. Brian Omwenga
ICT



Ms. Mumbi Keega
Industrialization



Mrs. Jacqueline Mugo
Labour



Mr. Eric Nyadimo
Land & Physical Planning



Ms. Rose Mwaura
Public Finance (Fiscal Policy)



Ms. Eva Warigia
Public Finance (Monetary Policy)



Mr. Steven Barry
Security



Ms. Frida Owinga
SME



Ms. Carol Warui
Sports, Culture & Arts



Ms. June Gachui
Sports, Culture & Arts



Mr. Alex Avedi
Tourism



Mr. Manoj Shah
Trade



Col (Rtd.) E K Waithaka
Transport & Infrastructure (Aviation)



Mr. Newton Wang'oo
Transport & Infrastructure
(Road, Rail and Sea Transport)



Ms. Waithera Gaitho
Youth

Notice & Agenda of Virtual AGM

NOTICE IS HEREBY GIVEN that the eighteenth Annual General Meeting of Kenya Private Sector Alliance Limited will be held by Electronic Means on Thursday, June 9, 2022 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 2021 (**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 2021.

c) Financial Statements for the year ended 31 December 2021

To receive, consider and, if thought fit, adopt the audited Financial Statements of the Company for the year ended 31 December 2021 (**Resolution 2**).

d) Re-appointment of External Auditors

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

f) Remuneration of the External Auditors

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

3. SPECIAL BUSINESS & PROXY

To consider and, if thought fit, to pass the following as a special resolution: -

"That the Company shall henceforth introduce membership levy effective 1 January 2023 for such period and purpose as shall be recommended by the Board from time to time to the Members for approval." (**Resolution 5**)

4. ANY OTHER BUSINESS

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

BY ORDER OF THE BOARD



J L G MAONGA

MAONGA NDONYE ASSOCIATES

COMPANY SECRETARIES

Note:

1. No Member shall be entitled to vote at the general meeting unless all monies presently payable 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 on their behalf and a proxy need not be a member of the Company. The proxy form is herein attached.

Meeting Link:

We kindly request you to register for the meeting in advance using the following link: <https://bit.ly/39XdLgx>

Report of the CEO



Carole Karuga, MBS, HSC
CHIEF EXECUTIVE OFFICER

This year marks the culmination of five years of our Simba Era Strategy (2018-2032), which we commenced with the development of our third National Business Agenda (NBA, 2018-2022). Through the third NBA, we had set ambitious agenda of repositioning KEPSA to be delivery driven, results-oriented and taking a lead role in socio-economic transformation of the country by working together through strengthened partnerships with government and other stakeholders.

In the year under review, we had to bear the brunt of the Covid-9 pandemic, which peaked in 2021. As KEPSA, we had to re-focus our strategy and interventions towards the goal of “Emerging Economically Stronger Together: Living with Covid-19 in the New World Order”. As a business community, we also learnt new ways and interventions to surmount the debilitating effects of the Pandemic.

PUBLIC-PRIVATE DIALOGUES (PPDS) AND ENGAGEMENTS

Even though it was a year of constrained physical meetings, we quickly adopted use of technology to support meetings, continued online business and education of our children amidst episodes of lockdown and restricted movements.

We continued to engage the government fully virtually or in hybrid formats using various platforms.

We engaged the Executive arm on strategic policy interventions for building back better. We engaged the Cabinet through two roundtables with the National Development Implementation and Information Cabinet Committee (NDICCC), which provided feedback to the President and we are proud that a number of our proposed interventions were integrated into series of Presidential address on Covid-19 containment measures and interventions.

Ultimately, in the month of May this year, we resumed the Presidential Roundtable, this time focusing on national tree campaign towards a target of 2 billion trees. Towards the 2 billion tree cover campaign, we are extremely proud and grateful to the private sector who have made commitments in cash and in-kind and some both totalling 6, 448, 998, 000 (Six Billion, Four Hundred and Forty-Eight Million, Nine Hundred and Ninety Eight Thousand). Our commitment to addressing deforestation and land degradation is fully aligned with our strategic pillar on sustainability, which prioritises sustainable consumption and production, acceleration of business climate change actions and biodiversity as some of the focus areas of intervention in the realisation of a green economy.

It's been a very busy year as we also engaged the Presidential Policy and Strategy Unit, held 22 Ministerial Stakeholders Forum (MSFs) as well as several engagements with the various agencies and departments. Some of the agencies, departments and independent bodies we engaged include the Kenya Revenue Authority, Kenya Bureau of Standards, Kenya National Highway Authority, Energy Petroleum Regulatory Authority, Kenya Export Promotion & Branding Agency, Kenya Power and Lighting Company, National Construction Authority, Independent Policing Oversight Authority, Kenya Ports Authority, National Counter Terrorism Centre, Kenya Tourism Federation and Tourism Regulatory Authority, Office of The Data Protection Commissioner, National Gender and Equality Commission among others.

In our continued partnership with both Houses of Parliament, we held one Senate Speaker's Roundtable while our roundtable with the National Assembly was through chairs of different Departmental Committees convened twice by the Leader of Government Business in the House in addition to the specific meetings we had with the Senate Standing Committee on ICT and National Assembly Parliamentary Departmental Committees on Environment and Natural Resources and the Committee on Finance and National Planning.

Equally, we continued to engage with the Judiciary through the Chief Justice. KEPSA leaders made a courtesy call to the then newly appointed Chief Justice and later we held two Chief Justice Roundtables focused on addressing matters pertaining to expeditious conclusion of legacy cases, economic litigations and improvements on the judicial system.

Our engagements transcended into EAC with our double role as the National Focal Point for the East African Business Council (EABC). We hosted the EAC Secretary General CEOs roundtable together with EABC and resolved that the EAC Secretariat would partner with KEPSA to re-assess the EAC decision-making process and accelerate the implementation mechanism of the decisions and key resolutions undertaken among the Partner States at the Summit and Council of Ministers. In addition, we also established a platform of peers and had an engagement with the CEOs of the other National Focal Points (NFPs) and agreed to a regular CEOs engagement on rotational basis and to have harmonized strategy to tackling challenges facing the business community in the region. Of equal importance is the EABC Kenya Chapter nomination to the EABC Executive Board where we nominated four of members to represent Kenya on the Board.

PARTNERSHIPS AND MOUS INITIATED

On the global front, we signed a number of MOUs with different countries to facilitate trade and investment explorations for Kenyan businesses. We renewed our MOU with Barbados Private Sector Association (BPSA) and Barbados Chamber of Commerce and Industry (BCCI) that aims at facilitating cooperation, promoting economic development and enhancing trade linkages between Kenya and Barbados.

On 12th November 2021, we signed an MOU with Fortescue Future Industries (FFI), an Australian company to facilitate for our members' participation in new, largescale green energy projects in Kenya. Lastly, together with the Corporate Council on Africa (CCA) we signed a U.S. – Kenya Trade Initiative that aims at upscaling small and medium-sized enterprises (SMEs). This year, KEPSA has been involved in 13 inbound or outbound trade missions and KEPSA members have also been incorporated in Government's trade missions.

SUPPORTING BUSINESSES TO WADE THROUGH THE NEGATIVE IMPACTS OF COVID-19

We implemented an E-commerce Booster Program that built the capacity of over 2,600 SMEs to engage in e-commerce and leverage the digital ecosystem to enhance growth and resilience. Out of these, we onboarded at least 1,300 SME on various e-commerce platforms thus increasing and diversifying their revenue streams hampered by the Covid-19 pandemic. Similarly, through our trainings on organizational management, financial literacy, people management, digital literacy, business, marketing operations among others, we provided coaching and mentorship to over 50000 women and youth-led SMEs. **We further rolled out SME Covid-19 Recovery and Resilience Programme to support women and youth owned businesses that had been affected by the COVID-19 pandemic.** 106 businesses benefited from the short-term loan financing without interest and no collateral required amounting to KES 42,003,532. KEPSA will host financing gateway platform for Kenya to enable SMEs access to financing. We are currently working with KBA to ensure all banks verify information captured in the platform before the launch of the platform which will then allow SMEs to access the information.

“ We had to re-focus our strategy and interventions towards the goal of emerging economically stronger together



KEY ACHIEVEMENTS FOR DIFFERENT SECTORS AND THEMATIC FOCUS AREAS

Growing the SME sector: We established an SME Club to more closely drive the agenda of SMEs even though we long advocated for reforms in the business operating environment for SMEs since we were established. I must commend the leadership of the SME Club for having retreated and developed a strategy through different Committees. The establishment of Credit Guarantee Scheme for SMEs is something that we have advocated for years and that it has been rolled out, we hope that it will ease credit access. Our engagement with the Ministry of Industrialization and Enterprise Development on gazettment and operationalization of Micro & Small Enterprises Authority draft Regulations was key in supporting SMEs. The gazettment of Start-up Bill 2021 now provides a framework to encourage entrepreneurship in Kenya as well as to stimulate growth and sustainable development of technology with a goal of attracting Kenyan talent and capital. We also supported the operationalization of the Small Claims Court in Milimani Law Courts in Nairobi, as part of the Ease of Doing Business Agenda.

To increase exports and expand trade within the African region, we have developed a draft National Economic Diplomacy Strategy to inform our strategies to spur exports markets development and foreign direct investments. KEPSA also organized Kenya-Tanzania high level business forum on promoting trade, tourism and investment between Kenya and Tanzania within the East African Community Customs Union framework. And, to address non-tariff barriers affecting Kenyan businesses in Tanzania, we organized a meeting with the Tanzania High Commission to escalate the key market access concerns raised by the Kenyan private sector players. The EAC Sector Board finalized the comprehensive review of the East Africa Community Customs Management Act (EAC CMA 2004) and Regulations 2010 to reflect the changing dynamics in trade and technology. The Sector Board also finalized a comprehensive review of the EAC Common External Tariff (CET) to support the development of the local industries.

To ensure cross border trade continues during the Covid-19 period, we conducted targeted training for SMEs, traders and truck drivers at Busia, Malaba and Namanga border points to enhance Covid-19 awareness and safety protocols. Advocacy work with border agencies saw the long queues in Busia and Malaba reduce significantly.

The training of private sector on Value Chain Prioritization and Analytics on Coffee, Beef and Aquaculture value chains has helped the Ministry of Agriculture to establish a framework to improve farmer earnings, boost foreign exchange and contribute to our food security. This will be strengthened by entrenching working relationships between ASNET and Council of Governors (COG) through the planned establishment of ASNET County Boards.

The formation and operationalization of the KEPSA-COG Joint Technical Committee on Private Sector Devolution Support Program (PSDSP) and establishment of a partnership framework with Commission on Revenue Allocation (CRA) will go a long way to support our collaboration and partnership with the Counties to improve business environment and investments readiness.

The Energy and Extractives Sector Board contributed to the Presidential Taskforce on Power Purchase Agreement which submitted their report to the President. The recommendation of the Taskforce is geared towards reforming the Power Sector in the country. Among the key recommendation is the reduction of the cost of electricity by over 33%, and fast-tracking and deepening the ongoing reforms at KPLC to restructure it into a commercial entity that is both profitable and also capable of delivering efficient and cost-effective electricity supply to all consumers. So far, 15 % power reduction has already been implemented as of January 2022.

The Environment, Water and Natural Resources Sector Board contributed to the development of Sustainable Waste Management Policy and the submission of KEPSA input to the Waste Management Bill that led to review of the Bill to include

provisions for Waste Service Providers, Segregation of Waste at Source, Role of Citizen and alignment of both public and private sector in sustainable waste management and guide the transition from linear to circular economy for waste management in Kenya.

The Gender and Youth Sector Board launched the inaugural Private Sector Gender Mainstreaming Policy. The Policy aim to provide practical guidelines for the adoption and implementation of gender mainstreaming in the private sector.

In the Health Sector, we supported Kenya Health Federation to develop a Strategic Plan (2022 – 2026), setting out strategic programs that will enable the organization to build on its achievements and lessons learnt to effectively respond to the changing operational environment.

Our Security Sector Board together with The National Counter-Terrorism Center (NCTC) developed a joint work plan for the year 2021-2022 to guide Counter-terrorism trainings for all KEPSA members and so far, over 2759 individuals have been trained in the last five months.

For the Sports, Arts and Culture Sector Board, the enactment of the Copyright Amendment Act 2021 has provided for fair formula for sharing of revenue from ring back tunes between the artists/copyright holders and the telecommunications companies.

THE KEPSA FOUNDATION

Through the Ajira Digital Program for youth development, among other achievements, we have 1,204 young people who have benefitted from the e-government workstream working as transcribers as well as data entry and scanning agents. A further 72,243 young people have been linked to international and local digital work platforms. Cumulatively, a total of 183 court stations and 7 Tribunals have been impacted by the transcription pilot that have enabled Virtual court recordings tapped/downloaded from the stations and transcribed. The two BPOs managed to transcribe a total of 22,016.25 hours and submitted a total of 140,395 transcripts to the judiciary. Further, the BPOs have submitted over 102,701 legal transcripts to the Judiciary with a 98% acceptance rate. The 7 Supreme Court Judges, 30 Court of Appeal Judges and 6 High Court Judges have literally put their pens down and are not manually taking notes in court. Interesting to note that 100% of the Supreme Court Judges have managed to put their pens down completely.

Under the Knowledge Pillar of the KEPSA Foundation, we continued to implement the Sustainable Inclusive Business -Kenya Project where 104 women and youth were trained on sustainable waste management and financial literacy, 143 were households trained on separation of waste at source by engaging youth groups in the low-income areas, and 104 youth trained on entrepreneurship, financial literacy, circular economy model, and the development of a business plan using the business canvas model.

Under Mkenya Daima Initiative, we had a media launch to propel the Mkenya Daima 2022 initiative into the public space and create awareness. In the course of the year, we also developed a Private Sector Economic Manifesto, which we have used to engage with Presidential candidates under the Azimio la Umoja One Kenya Coalition Party led by Rt. Hon. Raila Odinga and the Kenya Kwanza Alliance led by H.E. Deputy President, Hon. William Ruto, both of who are willing to work with KEPSA to further develop the recommendations within their manifestos.

We also participated in the UN High-Level meeting of the General Assembly on Financing for Peacebuilding. KEPSA CEO, Ms. Carole Kariuki delivered a presentation on the private sector in Kenya and the role it has played in Mkenya Daima and peace building thus propelling the initiative on a global platform. Other achievements have been around pushing for the uptake of Voter registration through a Press statement and social media messaging; four sensitization events - one civic engagement on electoral process targeting the youth and three election risk and preparedness forums for private sector; an engagement with institutions charged with the management of the National Elections including IEBC, EACC, ORPP and IPOA.

Finally, and more importantly, we contributed in the Pre-Election Assessment Mission conducted by the International Republican Institute and National Democratic Institute & the AU/COMESA/EAC team as part of our engagement with the International election observers in Kenya to discuss the state of preparedness by the country before the general election and the overall context in which the polls will take place.

ENHANCED VISIBILITY THROUGH COMMUNICATION

Our Communication team led the agenda in building and sustaining a competitive KEPSA brand through the various media tools including Media watch, Weekly, blogs, Social Media, E-shots, Daily Media papers, Radio and TV. We disseminated a total of 31 press releases. Out of the media engagement, the KEPSA brand was covered 89 times on Television, 107 mentions on Radio and 232 publications in newspaper/ online spaces. We have also re-embarked on re-developing the KEPSA website to improve website user experience and create a more dynamic platform that will also host an 'information bank' for the organization.

BUILDING AN A-TEAM MANAGEMENT

The KEPSA team grew despite the challenges of the Pandemic. We managed to bring on board 18 new employees to support with our in various aspect including the management and implementation of different projects. We also managed to restructure the office of the Chief Executive Officer in order to serve our members best and deliver on the mandate. The restructuring included redefining the roles of Deputy CEO with the creation of the Office of Deputy CEO in charge of competitiveness and operations to help the CEO with the policy and advocacy work, and Deputy CEO in charge of Foundations and Operations to help manage the KEPSA foundation and all social projects. Our team also benefitted from training in various areas of their specialty. 52% of the employees managed to attend short courses in line with their career development plans. In addition, we managed to sensitize and build the capacity of our employees' awareness and appreciation of mental health. We also engaged the team in a building to enhance team spirit and improve productivity.

GROWING MEMBERSHIP AND BMOS

We are happy that 70 new members joined the KEPSA family during the year, of these, 43 were SMEs and Start-ups and will continue to help us achieve on our mandate. We continued our support to the Business Membership Organizations. We assisted the formation of Short-Term Rentals and Alternative Accommodation Association of Kenya (STRAAAK) which is made up of short- and long-term hosts, to help articulate and advocate on issues pertaining their industry. We have continued to host the International Chamber of Commerce (The ICC); the ICC is the world's largest business organization representing 45 million companies from all sectors and sizes in over 130 countries.

LOOKING INTO THE FUTURE

Let me note that our advocacy and partnership with the government led by the President has achieved a lot and impacted many lives in the country. So, we took a journey back to when we started our first engagement with this Administration and have produced a documentary showcasing different milestones and achievements for the private sector and particularly beneficiary impact stories in the past 9.5 years. We hope to have an occasion with His Excellency the President to show him this documentary as a thank you note for his leadership while we worked together.

On behalf of the KEPSA Management, I would like to show our appreciation for the relentless support and contributions from our Staff, memberships, and development partners. We will continue to thrive in pursuit of our vision of becoming a world class apex body due to your commitment. We say thank you.

As we get roll-into the next period and especially the upcoming General Elections, we would like to rally your support behind the Mkenya Daima initiative. We challenge all of us to take responsibility in encouraging the wider population to exercise their democratic rights in a responsible manner. We have to contribute to peaceful transition more than ever noting that we have just come from a pandemic. It is high time for 'Kenya ni Wajibu Wangu', we are all responsible.

89

TELEVISION
APPEARANCES

107

RADIO
MENTIONS

232

PUBLISHED
ARTICLES

70

NEW
MEMBERS

Directors' Report



This past year, Kenya continued to reel out of potential adverse health and economic effects of the Covid-19 Pandemic due to early measures that the government and the business community, implemented to balance health, economic and social needs of the county. These measures included a dawn to dusk curfew, use of face masks and hand sanitizer, restrictions on public gatherings, school closings, recommendations to work from home, and social distancing measures.

While over 1 million jobs were lost, 5 million potential job losses were saved by the measures. By reckoning that we were all affected as a nation, I must say I am the more proud with the way we marshalled the best out of us through our financial and in-kind contributions, developing business protocols and several measures that led to protection of lives and livelihoods. In the large scale of things, the partnership between Government and private sector and other sectors made Kenya to be one of the countries that managed the pandemic better than many countries.

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 weekly and bi-weekly meetings, we continued to share updates and response measures by different sectors. These enabled the business community to keep abreast of the current happenings and devise business strategies that align with the evolving needs.

2021 is indeed the period business bore the brunt of the Pandemic. But, as we got past mid-year, the economy was already on its path to recovery and the lifting of the curfew in August 2021 was a big boost to the recovery agenda. The estimates reveal a 7.5% economic growth in 2021, as huge leap from the negative (-) 0.3% growth in 2020. Equally, the private sector activities as envisaged in the Purchasing Managers Index (PMI) were on the rise at least for the last three months of the year only to nose dive in January 2022. Kenya recorded PMI of 51.4, 53.0, 53.7 and 47.6 in October, November, December and January respectively.

The start of 2022 was a bit better, and even though the PMI improved to 48.2 in May 2022, it's still below the 50 mark, indicating reduced private sector activities. However, things have come back on track with the opening of most economies worldwide, the recovery has been greatly boosted. The world including ourselves in the private sector seem to have learnt to live with COVID and embraced the new norm. On the other hand, we seem to have a brighter future with economists expecting a boom in GDP growth in 2022 and 2023. The forecast is largely pegged to the relaxation of restrictions in key markets, and resumption of normalcy in most sectors, good weather patterns and increased adoption of technology.

Despite these positive projections on the economy, we are aware of the unprecedented risks that our economy could be exposed into during an election year. 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. This calls for a more pro-active private sector to try and mitigate the risk through encouraging responsible exercising of our democratic rights during the election period. Through, the Mkenya Daima initiative, we are intensifying campaigns for a peaceful election in 2022. We have the agenda on smooth and peaceful transition at the helm of our engagement during now and elections period. In the same vein, we have developed private sector economic manifesto that we have used to engage on the economic agenda of the aspiring leaders for the presidential ticket.



This is the time to pull together irrespective of whether you are a business or otherwise to be actively involved in the Mkenya Daima and any other course that would help our economy to be buoyant during this period.

Aside from the risks on the economy that may be associated with the upcoming election, we must come up with a strategy to ensure the war between Russia and Ukraine does not have a lasting effect on our businesses and economy. We need to diversify our sources for the imports that sustain our businesses and support our farmers such as maize, wheat and fertilizer and palm oil for which we heavily depend on Russia and Ukraine and oriental countries. **Peace in Ethiopia, Somalia and the Democratic Republic of Congo** (the newly admitted member of the EAC) is also key for our security and trade with these three countries and in the EAC region.

All is not gloomy. In these tough times, growing our members through renewals and a lot more new members joining shows your commitment and confidence in KEPSA. We did a "know your customer" visits to some of you and we were amazed by the so much going on in your various organizations that need to be amplified under the KEPSA banner and we also learnt and took note of some of the recommendations you shared with us on improving service to you.

Working together, as a Board, we are delighted that a significant proportion of the recommendations we made at the various PPD forums have actually been implemented and many more are on good progress with direct impact to Members and the economy. A lot of these have been highlighted by the CEO and it does demonstrate the Kenyan Government appreciates our constructive role, wide representation, good data research and careful and proactive deliberations.

We look forward to engaging you more on the building back better agenda to ensure high impact reforms for accelerated growth and development of the private sector will be possible through our envisaged fourth National Business Agenda (NBA-4) that would be a framework of our priorities. I do recognize that there are some key legacy issues that we have pushed for years but still remain without a clear solution and we will keep them on the table in our NBA-4. Some of these are a solution on VAT Refunds Scheme; Prompt payment of bills owed to private sector by County and National government remains an issue we will continue pushing for to ensure the **Prompt Payment Bill 2020** (Senate Bill no. 3 of 2020) is enacted. Another one is the launch of the **National Land Information Management System** throughout the country that will enhance the integrity of Land transaction in the country. **The Digital Economy Blueprint** and a National Digital Masterplan have all been developed with our close participation. We must accelerate the move to a digital economy to leapfrog economic growth. The master plan outlines a structured roadmap on the delivery of ICT infrastructure and services as well as the development of ICT skills. In the coming months, we will be consulting you across all sectors on a possible strategy to mainstream digitization and ICT in your enterprises so that we can accelerate and lead Africa in digital economy.

Lastly, I would like to appreciate the immense support that the Board and our membership have received from the KEPSA Management in the last one year that I have been at the helm. I know that a number of us were new in KEPSA leadership either at the board level or the Governing Council. The milestones we have achieved are largely attributed to the dedication of the management team. The wider membership has also benefited from these attributes; none of us have experienced any disruption of services nor lack of support from this team. As we gear up for socio-economic transformation, and a revamped policy engagement with the different stakeholders and the next Administration, we are going to require the support of the management than ever before. I also would like to appreciate development partners who have walked the journey with us during the year and even through the pandemic period. The development partners have been key in supporting the different initiatives that we undertook to help in recovery from the COVID pandemic. Let's work together to transform our economy towards achieving Vision 2030 -Tusonge Mbele Pamoja.

Finance Chairmans' Statement

AUDITED FINANCIAL STATEMENTS FOR FINANCIAL YEAR 2021

The Board presents the audited annual financial statements for Financial Year 2021. 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 737Million against 2020's KES 256Million. The growth for this category is as a result of;

Firstly, the very well responded to Private sector led COVID vaccine initiative that KEPSA spearheaded in 2021, to complement the Government's effort to vaccinate the citizenry. Nearly 300 private sector companies contributed over 2.3M US Dollars that is recognised as revenue under the projects fund. In partnership with Kenya Healthcare Federation (KHF) and Ministry of Health (MoH), the government purchased additional vaccines from the contributions to this initiative.

Secondly, a number of ongoing multi-year projects were in their 2nd and 3rd years of implementation and given the Kenyan economy's return to near normal in 2021 as it recovered from the COVID -19 pandemic that first hit the world in the year 2020, this meant a return to face to face engagements and project activities resulting in burn rates that were much higher than in the previous year. This meant funding partner's granted the additional funds to finance the activities within the precincts of the existing grant agreements.

- b) Membership subscriptions were at par with the previous year at KES 74Million. Management however, went out of its way to recruit new members notwithstanding the flat curve. In the year, about 100 start ups whose membership fee is 10,000KES were onboarded. Under the other categories of membership over 60 Members joined membership. However, due to the effects of the ongoing COVID pandemic, a number of existing members requested waivers on their subscriptions and some downgraded their categories indicating they were still working on their recovery.

II. Expenditure

Overall Year 2021 shows Administrative expenses of KES 183Million against 2020's KES 154M, 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.

The additional burn rate on projects/programmes with the re-opening of the economy, also meant an increase in PPD and project costs. These, together with the costs of the aforementioned Private Sector led COVID Vaccine initiative saw PPD and Project costs close at KES 571Million in 2021, against 2020's KES 127Million. These expenses are however fully funded and supported by project revenues and the funds spend on the Vaccine initiative had been raised and received in full from the participating private sector companies. In 2021 the amount for the Finance lease which relates to interest on lease for office space and is a non-cash expense was KES 1.5Million (2020: KES 2.5Million)

Total Revenues for the year were KES 827M (2020: KES 346M), against total expenses of KES 770M (2020: KES 300M) resulting in a closing position where revenues exceeded expenses by KES 57M 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 KES 4Million, with the positive closing balance of the income statement these have been significantly reduced to close the year 2021 at positive KES 52Million.

The overall balance sheet position reflects the continued improvement in performance, with net current assets closing at KES 44Million (2020: Negative KES 10Million), and overall balance sheet position moving from KES9.8Million in 2020 to KES 58 Million in 2021.

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



CHIEF JUSTICE ROUNDTABLE - MARCH 15, 2022 - SERENA

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



EDUCATION



GENDER



INDUSTRIALIZATION
& TRADE



PUBLIC FINANCE



SPORTS, CULTURE
& ARTS



AGRICULTURE,
LIVESTOCK & FISHERIES



EAST AFRICAN COMMUNITY
& AFFAIRS



ENERGY & EXTRACTIVES



HEALTH



LABOUR



SECURITY



TOURISM



DEVOLUTION &
PLANNING



ECONOMIC DIPLOMACY



ENVIRONMENT, WATER
& NATURAL RESOURCES



ICT & YOUTH



LANDS &
PHYSICAL PLANNING



SME



TRANSPORT &
INFRASTRUCTURE

In 2021, we continued to engage the government fully virtually or in hybrid formats using various platforms. We engaged the Executive arm on strategic policy interventions for building back better. We engaged the Cabinet through two roundtables with the National Development Implementation and Information Cabinet Committee (NDICCC), which provided feedback to the President and we are proud that a number of our proposed interventions were integrated into series of Presidential address on Covid-19 containment measures and interventions.



Ultimately, in the month of May this year, we resumed the Presidential Roundtable, this time focusing on national tree campaign towards a target of 2 billion trees. Towards the 2 billion tree cover campaign, we are extremely proud and grateful to the private sector who have made commitments in cash and in-kind and some both totalling 6, 448, 998, 000 (Six Billion, Four Hundred and Forty-Eight Million, Nine Hundred and Ninety Eight Thousand). Our commitment to addressing deforestation and land degradation is fully aligned with our strategic pillar on sustainability, which prioritises sustainable consumption and production, acceleration of business climate change actions and biodiversity as some of the focus areas of intervention in the realisation of a green economy.

It's been a very busy year as we also engaged the Presidential Policy and Strategy Unit, held 22 Ministerial Stakeholders Forum (MSFs) as well as several engagements with the various agencies and departments. Some of the agencies, departments and independent bodies we engaged include the Kenya Revenue Authority, Kenya Bureau of Standards, Kenya National Highway Authority, Energy Petroleum Regulatory Authority, Kenya Export Promotion & Branding Agency, Kenya Power and Lighting Company, National Construction Authority, Independent Policing Oversight Authority, Kenya Ports Authority, National Counter Terrorism Centre, Kenya Tourism Federation and Tourism Regulatory Authority, Office of The Data Protection Commissioner, National Gender and Equality Commission among others.



In our continued partnership with both Houses of Parliament, we held one Senate Speaker's Roundtable while our roundtable with the National Assembly was through chairs of different Departmental Committees convened twice by the Leader of Government Business in the House in addition to the specific meetings we had with the Senate Standing Committee on ICT and National Assembly Parliamentary Departmental Committees on Environment and Natural Resources and the Committee on Finance and National Planning.



Equally, we continued to engage with the Judiciary through the Chief Justice. KEPSA leaders made a courtesy call to the then newly appointed Chief Justice and later we held two Chief Justice Roundtables focused on addressing matters pertaining to expeditious conclusion of legacy cases, economic litigations and improvements on the judicial system.

Our engagements transcended into EAC with our double role as the National Focal Point for the East African Business Council (EABC). We hosted the EAC Secretary General CEOs roundtable together with EABC and resolved that the EAC Secretariat would partner with KEPSA to re-asses the EAC decision-making process and accelerate the implementation mechanism of the decisions and key resolutions undertaken among the Partner States at the Summit and Council of Ministers. In addition, we also established a platform of peers and had an engagement with the CEOs of the other National Focal Points (NFPs) and agreed to a regular CEOs engagement on rotational basis and to have harmonized strategy to tackling challenges facing the business community in the region. Of equal importance is the EABC Kenya Chapter nomination to the EABC Executive Board where we nominated four of members to represent Kenya on the Board.

LEGISLATIVE AGENDA ACHIEVEMENTS



SENATE SPEAKER'S ROUNDTABLE, AT ENASHIPAI - NOVEMBER 11-13, 2021

In line with KEPSA's critical role in business, economic and political reforms, KEPSA's legislative engagement includes two Speaker's Roundtables (with National Assembly and the Senate), in addition to continued engagements with different Parliamentary Departmental Committees and County Assemblies to provide input into Bills that affect private sector. The following **laws were enacted** during the year with KEPSA input:

- i. The Tax Appeals Tribunal (Amendment) Act, 2021;
- ii. The Central Bank of Kenya (Amendment) Act, 2021;
- iii. Public Private Partnerships Act, 2021;
- iv. National Hospital Insurance Fund (Amendment) Act 2022;

Passage of the Start-Up Bill 2021 and the Prompt Payment Bill 2021 by SENATE

On 2nd December, 2021, the Senate passed these two Bills with proposed amendments: The Start-Up Bill 2021 and the Prompt Payment Bill 2021. The two Bills will now be forwarded to the National Assembly for concurrence before they can be sent to the President for assent.

The Prompt Payment Bill 2021 seeks to provide for prompt payment for the supply of goods, works or services procured by the national government, county governments and private entities; while the Start Up Bill 2021 seeks to create a framework for a more favourable environment for innovation, so as to encourage growth and sustainable technological development & entrepreneurship. This is meant to attract Kenyan talent and capital.

KEPSA has championed for these two pieces of legislation from the year 2013 through various Presidential Roundtable Meetings, Ministerial Stakeholder forums, Senate and National Assembly Speaker's Roundtables.

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

- I. Finance Bill 2022;
- ii. Finance Bill 2021;
- iii. Prompt Payment Bill 2021;
- iv. Nairobi City County Finance Bill 2021;
- v. Nairobi City County Prevention of Violent Extremism Bill 2021.
- vi. The National Health Insurance Fund (Amendment) Bill 2021;
- vii. The Landlord and Tenant Bill, 2021;
- viii. The Public Procurement and Asset Disposal (Amendment) (No.3) Bill (NA Bill No. 49 of 2020) (The Committee recommended that the Bill be deleted in its entirety as it will inhibit foreign investment in Kenya);
- ix. The Sustainable Waste Management Bill (National Assembly Bill No. 22 of 2021);
- x. Natural Resource (Benefit Sharing) Bill, 2020
- xi. The Petroleum Products' (Taxes and Levies) (Amendment) Bill, 2021. KEPSA also made submissions to Parliament on the inquiry of the cause of the drastic increase in price of petroleum and petroleum products;
- xii. The Health Laws Amendment Bill 2021;
- xiii. The Coffee Bill (Senate Bills No. 22 of 2020) (Now withdrawn);
- xiv. The Natural Resources (Benefit Sharing) Bill (Senate Bills No. 25 of 2020);
- xv. The County Vocational Education and Training Bill (Senate Bills No. 6 of 2021);
- xvi. The Kenya Medical Supplies Authority (Amendment) Bill (Senate Bills No. 53 of 2021);

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

- i. National Rating Bill 2021;
- ii. Environmental Management and Coordination Bill 2021; (now approved by Cabinet)
- iii. Supply Chain Management Professionals Bill 2022;4

KEPSA also undertook extensive stakeholder engagements on the review of East Africa Community Custom Management Act 2004 and the East Africa Community Custom Management Regulations, as well as the review of the Architects and Quantity Surveyors Act CAP 525.

Regulations

KEPSA participated in the formulation of the below regulations:

- i. The Draft Energy (Electricity Supply) Regulations 2021;
- ii. The Draft Energy (Electricity Reliability, Quality of Supply and Service) Regulations, 2021.

Petitions

Minimum Tax- KEPSA members Kenya Association of Manufacturers (KAM), Law Society of Kenya (LSK), and the Retail Trade Association of Kenya (RETRAK) were part of Constitutional Petition No. E005 OF 2021 (Consolidated with Petition No. 1 Of 2021), a petition filed against operationalization of Minimum Tax. Justice G.V Odunga restrained Kenya Revenue Authority from further implementing or enforcing the provisions of Section 12D of the Income Tax Act on Minimum Tax, which was a huge reprieve for businesses.

REMARKABLE ACHIEVEMENTS FOR SECTOR BOARDS

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

I) AGRICULTURE, LIVESTOCK & FISHERIES



Key Engagements during the Year

- ▶ Technical Working Group meetings
- ▶ Ministerial Roundtables with the Ministry of Agriculture
- ▶ Sub-sector meetings
- ▶ High level engagement in the Intergovernmental Forum on Agriculture
- ▶ Fundraising roundtables with FAO
- ▶ Food Security meetings with the Ministry of Agriculture
- ▶ National Validation of the Food Safety Policy and Food and Feed safety Bill.
- ▶ Meeting with the president of MEDEF International Agri-food cluster
- ▶ Meetings with the National Treasury
- ▶ Agriculture B2B and matchmaking forums

Major Achievements

- Launch of Coffee Prices Stabilization Framework :** As a result of KEPSA advocacy actions, the Ministry of Agriculture established the framework to improve farmer earnings, boost foreign exchange and contribute to over food security.
- Waiver of the 25% excise duty on imported eggs for hatching:** KEPSA developed a position paper and engaged KRA and Treasury to rescind the excise duty earlier imposed hatching eggs by the Finance Act 2021. The waiver was reflected in the Finance Bill 2021/22
- Harmonization of Coffee Bills :** KEPSA in partnership with BFAP, AGRA, Kenya Coffee Platform (KCP) and Kenya Coffee Growers Association (KCGA) developed and submitted a memorandum on the harmonization of the two coffee bills, which was subsequently considered.
- Training of private sector on Value Chain Prioritization and Analytics:** In partnership with BFAP, AGRA and Tegemeo Institute conducted an intensive sequence of private sector trainings on deep dive analysis and value chain prioritization for the Coffee, Beef and Aquaculture value chains.
- Gazettement of animal feeds cost reduction measures:** KEPSA/ASNET spearheaded private sector engagements with the Ministry of Agriculture to discuss a set of measures that can be implemented to reduce the skyrocketing costs of animal feeds raw materials. Resultantly, the interventions were adopted and gazetted by the Ministry of Agriculture. Some of the key interventions gazetted included the tax waivers on animal feeds raw materials, and the review of the GMO threshold for animal feeds raw materials, from the 100% non-GMO to 99.1% in accordance with EU standards.
- Implementation of a subsidy framework for fertilizer:** As a result of the advocacy action by KEPSA, the Ministry ring-fenced 5.24 billion earmarked for subsidizing small scale farmers as of March 31st Press Release. Resultantly, fertilizer prices were subsidized to improve the yield results by farmers (E.g. DAP and CAN that be previously retailing at Kes.6,000 will now retail at Kes. 1,950 across NCPB depots).
- Facilitation of a roundtable B2B sessions with French agriculture investors:** KEPSA organized the roundtable to discuss areas of potential agribusiness investments, food security and food safety concerns in East Africa. As a result of the meeting, a number of market opportunities and B2B partnerships were firmed up.

- viii) Facilitated Crisis meeting between the industry stakeholders and Kentucky Fried (KFC) following the protracted public debate on shortage of potatoes by KFC. As a result of the meeting, KFC agreed to partner with NPCK to support Kenyan farmers in a pilot project aimed at improving standards targeting ready-cut frozen chips.
- ix) **Development of a Position paper on the Horticulture (Crops) regulations:** KEPSA with inputs from Kenya Flower Council prepared a position paper on the Horticulture regulations 2019 which imposes a fourfold increase of the export fees to be paid by Horticultural traders to the Horticulture Crops Directorate. The issue has since been escalated to the court for pronouncement.
- x) **Signing of ASNET-COG MoU:** KEPSA supported ASNET in entrenching working relationships between ASNET and COG through development of Cooperation Agreement between the two Organizations that will lead to establishment of ASNET County boards through a phased approach.
- xi) **Recruitment of ASNET GM:** Through the GIZ-KEPSA support, ASNET recruited a GM to support the operations of ASNET secretariat and joint implementation of ASNET-KEPSA activities
- xii) **KEPSA-WEZESHA Partnership:** KEPSA supported institutional strengthening of ASNET through posting of interns to support ASNET activities. Interviews were held and 4 interns were posted to support ASNET operations especially on areas of accounting, policy and advocacy, agribusiness development and M&E.
- xiii) **Training of members on Structured Trade Finance and the agricultural sector:** KEPSA participated in organization of the webinar in collaboration with Cooperative Bank and Africa Merchant Company. The webinar sought to train members on structured trade finance, typical structures, security requirements and tailor-made agribusiness financial packages offered by lenders.
- xiv) **Launch of ACEA Buyer-Seller Platform:** KEPSA supported the launch of the ACEA Buyer-Seller Platform which was launched on Wednesday May 19, 2021 as an online agribusiness marketplace for the Kenyan and East African region that connects buyers and sellers of agricultural commodities, inputs and implements within the region.

2) DEVOLUTION & PLANNING

Key Engagements during the Year

- ▶ 1 Devolution Sector Board Consultative retreat
- ▶ 4 Devolution Sector Board meetings
- ▶ 5 meetings with CoG
- ▶ 3 meetings with the Ministry of Devolution
- ▶ 7th Annual Devolution Conference
- ▶ 3 meetings with the Devolution Sector Working Group on MTP IV development

Major Achievements

- i) **Institutionalization of engagement with the Council of Governors (COG):** KEPSA held an engagement with the Council of Governors leadership to discuss modalities of institutionalizing PPD engagements as well as topical policy concerns on devolution. A draft Cooperation Agreement has already been developed, awaiting approval.
- ii) **Formation and operationalization of the KEPSA-COG joint technical committee on PSDSP:** Premised on enhancing business climate as well as PPDs between the private sector and County Governments, KEPSA created the Private Sector Devolution Support Program (PSDSP) to detail the action plan and engagement modalities. Resultantly, a joint committee was constituted and operationalized, drawn from KEPSA membership and the Council of Governors (COG) to midwife the process of development.
- iii) **Inclusion of KEPSA proposals in the development of the draft Devolution Sector Plan and MTP IV:** KEPSA participated in the devolution sector plan and MTP IV meetings that discussed the flagship projects to be included in the planning framework. The key private sector proposals incorporated in the Devolution Sector Plan include implementation of the County Competitiveness Index (CCI), harmonization of County taxation and licensing regimes, investment profiling of Counties and implementation of Public Private Partnerships.

- iv) **Ecosystem mapping of KEPSA members based on the County Economic Blocs:** KEPSA undertook a mapping of KEPSA members against their economic blocs to enhance the decentralization strategy of KEPSA
- v) **Development of the Private Sector Devolution Support Program:** Premised on enhancing working relationship between KEPSA and County Governments, KEPSA created the proposal on enhancing Public Private Partnerships with County Governments. The proposal is being jointly co-created KEPSA and COG and will entrench PPD forums of engagement
- vi) **Development of a concept note on KEPSA Regional Representation:** The Sector Board developed and submitted a concept note on institutionalization of KEPSA at the County level, through establishment of regional committees in each of the 7 economic blocs. The concept Note was presented to KEPSA board for approval.
- vii) **Establishment of a partnership framework with Commission on Revenue Allocation (CRA):** This is premised on co-creation and implementation of an ongoing Rapid Results Initiative (RRI) founded on the following areas:
 - ▶ Funding & Improving County Governments Financial Management (OSR policy and Implementation) including Alternative Financing / Borrowing County Creditworthiness Initiative (CCI)
 - ▶ Land Value Capture – Use of Public development to enhance OSR from land and creditworthiness
 - ▶ Development of Integrated County Revenue Management System
 - ▶ Private sector Representation and effectiveness of the County Budget and Economic Forums
- iv) Webinar to increase awareness of private sector on, "Unpacking Third Revenue Sharing Formula for Business,"

3) EAST AFRICAN COMMUNITY



KENYA - TANZANIAN BUSINESS FORUM DURING PRESIDENT SULUHU'S VISIT TO KENYA

Key Engagements during the Year

- ▶ 5 Sector Board meetings
- ▶ 1 Ministerial Stakeholders Forum
- ▶ 2 bilateral meetings with United Republic of Tanzania
- ▶ 3 Technical Working Group meeting between KEPSA and MoEAC
- ▶ 1 joint meeting of the Private sector on the finalisation of the EAC CET
- ▶ 8 Technical Working Group (TWG) meetings with EABC
- ▶ 4 Technical Working Group meetings with EAC Secretariat and EABC

Major Achievements

- i) **Finalisation of the Comprehensive Review of the Common External Tariff:** The EAC Ministers adopted the proposal for made by the private sector on the rate for the newly introduced fourth band for the EAC CET, putting an end to the longstanding huddle on the review process. The EAC will have four bands i.e. 0%, 10%, 25% and 35% for the different categories of goods.

ii) **Trade barriers Bilateral with URT:** The Sector has engaged in different platforms under the purview of the Kenya-United Republic of Tanzania (URT) Bilateral to address the challenges facing cross-border trade among the two EAC partner States. Among the engagements include Economic Diplomacy mission on January 19, 2021 between the Kenyan High Commissioner to Tanzania H.E.Hon.Dan Kazungu and his Tanzanian Counterpart H.E.Dr.Stephen Simbachanawe, and the Kenya-URT bilateral on Non-Tariff Barriers (NTBs). The NTB bilateral on 5th May 2021 bilateral which addressed 32 NTBs of the reported 64, and the 21st -26th September 2021 bilateral which addressed 30 of the remaining NTBs with the rest to be settled before the end of the year and saw a commitment for Lunga Lungu and Horohoro border post to operate 24hrs by January 2022

iii) **Hosting of the EAC Secretary General:** In partnership with the EABC, the Sector Board hosted the EAC Secretary General on 6th August 2021 to a roundtable meeting to look at areas where the Secretariat could partner with the private sector. One of the key resolutions was to re-assess the EAC decision-making process and enhance the implementation mechanism of the decisions undertaken among the Partner States. These would help in resolving many of the challenges the private sector is facing which are, partly, as a result of a lack of a strong decision-making mechanism and subsequent implementation thus many decisions made at the regional level are never implemented.

iv) **Harmonisation of EAC private sector Policy agenda:** On 5th October 2021, the Sector had an engagement with the CEO's National Focal Points (NFP), which served as a platform for peers to share ideas and challenges facing for a harmonized strategy to tackling the same. The engagement saw an agreement for continued and regular CEO's engagement on rotational basis, a commitment for the NFP's to dedicate staffs to deal with regional matters for enhanced advocacy, and formation of the technical officer's roundtable on a quarterly or need basis.

v) **Review of the EAC Customs Management Act and Regulations:** the sector conducted a review of the EAC CMA 2004 and Regulations 2010 and proposed amendments to the laws in an effort to ensure a conducive business regulation in cross-border trade within the EAC.

vi) **Formation of an EABC Committee-Kenya Chapter and National Focal Point elections for EABC board nominees** - The Sector Board held the EABC Kenya Chapter nomination to the EABC Executive Board meeting on March 3, 2022. Four members were nominated to represent Kenya on the Board. An EABC Committee-Kenya Chapter was formed as a vehicle for harmonizing issues before any EABC board meeting. The Committee will have a sub-committee with their chairs called upon to make presentations to the EABC board from time to time.

4) EDUCATION



Key Engagements during the Year

- ▶ 1 Sector Board Meeting
- ▶ 1 MSF with Cabinet Secretary of Education
- ▶ 3 Education and ICT Technical Working Group (cross sectoral meeting)
- ▶ 1 Sector board retreat held in September 2021
- ▶ 6 Sub-sector Meetings (BASIC, TVET, University and Post-skills)
- ▶ 2 Sector Board Leaders Meeting
- ▶ Engagement with Director State Department of TVET on Institutionalization of private sector – government partnership and collaboration for TVET
- ▶ Participatory Meeting for the Second Conference on, “Role of Universities in Peace Security and Social Enterprises,
- ▶ Stakeholders Engagement on Recognition of Prior Learning (RPL) Policy.

- ▶ Engagement through the Universities Sub Sector Board with Principal Secretary in charge of Regional and Northern Corridor Development.
- ▶ Engagement with the Development Partners Joint Sub Sector Working Group. Together with Ajira Digital Director presented the sub sector strategy for skills development and youth employment.
- ▶ Engagement with KCB Partner to discuss possible potential funding for TVET students in private colleges.

Major Achievements

1. Basic Education

- ▶ Report issued by Taskforce on Enhancing Access, Relevance, Transition, Equity, and Quality for Effective Curriculum Reforms that contributed to review of implementation of CBC and addressing private sector implementation challenges
- ▶ Report issued by COVID-19 Education Response Committee that lead to successful reopening of schools.
- ▶ Successful advocacy regarding current unrest in schools contributing to adjustments in the school calendar. Impact: School calendar was not disrupted, and unrest stopped loss of school assets and containing the repayment burden from parents.

2. Technical Vocation Education Training (TVET) Education

- ▶ Engagement with Don Bosco & ECL - To sign Memorandum of Understanding that will provide a general framework for, and to facilitate cooperation between, KEPSA, the ECL and The Salesians of Don Bosco in promoting linkages and partnerships in the Technical Vocational Education Training (TVET) in Kenya. This is will be done through an industry academia linkage program, explore best practices for success of the project.
- ▶ Co-operative Vocational Training (CVT) sensitization workshop that kickstarted the Development of National Policy framework for CVT Training in Kenya.

- ▶ Handover of BEAR Policy Documents to the State Department of TVET on 9th March 2022: they include:(i) Open Distance and Electronic Learning (ODEL) Policy, (ii) Continuous Professional Development (CPD) Policy framework(iii) Career Guidance and Counselling Framework, and (iv) Quality Assurance Manuals.

3. University Education

- ▶ Launch of National Policy on Career Guidance and Counselling in Universities.
- ▶ Private university (Mt Kenya University) among the first universities to receive accreditation for open, distance and electronic learning (ODeL) from Commission of University Education.

4. Education-ICT Technical Working Group

Private Sector also through Elimu Holdings has developed websites for free for the following schools: Bungoma DEB Primary School, NAC Mutugu Primary School, St Peters Boys Primary School, Ntemwene Primary Schools, Kiamaina Primary School, Kauni Primary School, Mukalwa Primary School. This corporate social responsibility includes training of the staff in the school on digital skills.

5) ENERGY AND EXTRACTIVES

Key Engagements during the Year

- ▶ 7 Sector Board meetings
- ▶ 4 Sub-sector meetings
- ▶ 4 Petroleum and Mining Ministerial Stakeholders Forum.
- ▶ 4 Engagement with State Department of Petroleum and Mining
- ▶ 4 Engagement with the Ministry of Energy
- ▶ 4 Engagements of EPRA
- ▶ 2 Engagement with KPLC
- ▶ 1 Engagement with KRA
- ▶ 1 Engagement with the Parliamentary Departmental Committee on Energy.
- ▶ 2 Engagements with Parliamentary Departmental Committee on Finance and National Planning



ESAK OFFICIAL LAUNCH - OCTOBER 27, 2021

Major Achievements

- i) The Presidential Taskforce on Power Purchase Agreement submitted their report to the President. The President then formed an Implementation Taskforce of the report comprising of the members of the earlier taskforce. The recommendation of the Taskforce is geared to reforming the Power Sector in the country. Among key recommendation is the reduction of the cost of electricity by over 33%, and fast-tracking and deepening the ongoing reforms at KPLC to restructure it into a commercial entity that is both profitable and also capable of delivering efficient and cost-effective electricity supply to all consumers. 15 % power reduction has already been implemented as of January 2022.
- ii) The government through the Finance Act 2021 partially removed the Taxes introduced in the renewable sector through the Tax Laws Amendment Act 2020 and Finance Act 2020.
- iii) Operationalization of Community Development Agreement Committees (CDAs) commenced this year with a pilot in Kwale by Base Titanium. Mining Companies are supposed to set up CDAs in line with CDA Regulations, 2017 to guide development initiatives in the community where they are situated. This is a major win to mining companies because it ensures harmonious working collaboration with the local communities
- iv) The Ministry of Energy formed the Bio-Energy Strategy (2020-2022) Implementation Committee where KEPSA is represented. The strategy is meant to promote sustainable production, distribution and utilization of bioenergy as a clean source of energy.
- v) The Energy Cabinet Secretary Commissioned the 33/11kV KPLC Substation at Mtondia, Kilifi North Constituency, Kilifi county early this year. The Substation has been instrumental in ensuring stability of power around Kilifi Town and its environments.
- vi) The Kenyan Ethanol Cooking Fuel (ECF) Industry Masterplan was launched on 3rd June 2021. The Masterplan, commissioned by Germany's International Climate Initiative (IKI). It was developed in close collaboration with the Government, including the Ministries of Agriculture, Industrialization, Energy and Environment, as well as key private sector players. The masterplan proposes ways to grow the local production of bio-ethanol cooking fuel in the country and reduce reliance on imports, while creating a major new Kenyan bio-economy industry.
- vii) KETRACO launched the Integrated Location Intelligence System (ILIS) on 11th August 2021. The system will help in automating KETRACO's wayleave acquisition and engineering transmission line construction processes.
- viii) The Joint Venture submitted the Field Development Plan (FDP) of Oil to the Cabinet Secretary of Petroleum and Mining. The FDP provides the give technical solutions and guide for optimizing the development and production of oil fields.

6) ENVIRONMENT, WATER AND NATURAL RESOURCES



CORPORATE COMMITMENT TO CLIMATE CHANGE AND SUSTAINABILITY IN KENYA CONFERENCE, NOVEMBER 10, 2021

Key Engagements during the Year

- ▶ 5 Sector Board Meetings
- ▶ 1 Ministerial Stakeholders Forum
- ▶ 2 Sector Board Leaders Meeting
- ▶ 3 Engagements with Principal Secretary - Ministry of Environment and Forestry
- ▶ 3 Engagements on National Greening Campaign - 2 billion Tree Growing with the Ministry of Environment and Forestry /NETFUND
- ▶ 8 Private Sector Consultations on Extended Producer Responsibility Regulations
- ▶ 6 Regional Private Sector Consultations on National REDD+ Strategy
- ▶ 1 Engagement with National Assembly Parliamentary Departmental Committee on Environment and Natural Resources on the Sustainable Waste Management Waste Bill.

State Department and Agencies

- ▶ 14 Engagements with Climate Change Directorate (CCD) on Climate Change Regulations Duties and Incentives for Private Sector, and CoP 26 Kenya's Country Position Paper and Status implementation report of implementation of the national climate change action plan FY 2020-2021, finalization of the development of private sector engagement framework on implementation of NCCAP and Kenya Submissions to the UNFCCC
- ▶ 4 Engagement under the Ministry of Environment and Forestry Green Growth and Employment Program on progress report on implementation of Green Economy Strategy and Implementation Plan (GESIP)
- ▶ 4 Taskforce workshops on development of Green Fiscal Incentives Policy Framework under the National Treasury and Planning
- ▶ 1 inter-Ministerial Technical Committee on Climate Finance on review of Green Climate Fund proposals under the National Treasury and Planning.
- ▶ 3 Engagements and World Bank Mission on Financing Locally Led Climate Actions Engagements under the National Treasury and Planning Project Management Unit.

Cop 26 Preparatory Engagements

- ▶ National Pre-CoP 26 Stakeholders Engagement on CoP 26 items on 21st October 2021.
- ▶ COP26 Workshop on Visions of a climate resilient and net zero future Kenya by 2050 organized by Deloitte and UK Department of Business Energy and Industrial Strategy and Cambridge University. Priority areas of a net zero Kenya are in creating low-carbon, resilient agricultural systems, unlocking finance for a low-carbon and resilient future, building climate resilient health systems; Climate-proofing the built environment and supporting local approaches to climate resilience.

Other Strategic Engagements

- ▶ Private Sector Conference on Corporate Commitment on Climate Change (4CK) organized in collaboration with Kenya Climate Innovation Center, KCIC consulting, KAM and Nation Media Group.
- ▶ 3 Tripartite Series on Accelerating Private Sector Participation in Water Sector, Irrigation and Circular Economy.
- ▶ 1 Engagement with World Bank on County Partnership Framework for Environment, Water and Climate Change.
- ▶ In partnership with ICRAF organized the Entrepreneurship and Business approaches to landscape restoration Private Sector Side Event during the Kenya National Landscape Virtual Conference
- ▶ Participation in Fifth Session of the United Nations Environment Assembly (UNEA 5.2) themed, "Strengthening Actions for Nature to Achieve Sustainable Development Goals," that lead to resolution on "Develop a Global internationally binding legal binding instrument by year 2024 to end plastic pollution and to establish a science policy panel on chemicals and waste to prevent pollution."

Partnership for New Plastics Economy in Kenya

Key Engagements during the year

- ▶ 2 Implementing Partners Meeting to review progress of circular approach to PET management in Kenya.
- ▶ 1 Stakeholder Engagement on Business Model for Recycling of PET
- ▶ 1 Public Awareness on Circular Economy Lessons from Nyayo Estate at KTN

Major Achievements

- ▶ Nyayo Estate, the pilot area for Partnership for New Plastics Economy, modelling sorting at source, collection of plastic waste bottles and recycling, declared a Circular Economy Zone by the Ministry of Environment and Forestry in June 2021.
- ▶ A total of PET- 5.2 tonnes of PET bottles diverted from the environment at Nyayo Estate during the pilot phase of the project.
- ▶ Training of 35 Waste Service Providers on Waste Management and Recycling Protocols within the framework on Business Guidelines for Business Operations during COVID 19.
- ▶ Training on Green and Circular Economy Course at the Technical University of Denmark of NPEK implementing partners through the DANIDA Support Program.
- ▶ The Circular Economy and Environmental Sustainability Bottom Line KTN you tube link viewed by 556 viewers.



KEPSA-GACS TREE PLANTING AT
NGONG FOREST - AUGUST 13, 2021

Sustainable Development Goals and Partnership for Green Growth and Global Goals

Key Engagements during the year

- ▶ 3 P4G Board of Directors Meeting on P4G Impact investment approach and phase 2 of P4G.
- ▶ 25 Green Growth and Employment Program (GGEP) biweekly project implementation committee meetings on Green Growth and Circular Economy Consultancies on Policy and Frameworks to accelerate transition to green and circular economy in the country.
- ▶ E-mobility Round Table held on 9th July 2021 and reviewed the pillars to accelerate adoption of electric energy for 2-3 wheelers in Kenya. This includes infrastructure, energy, review of urban transport plans and development of national strategy for electric vehicles.
- ▶ Sustainable Special Economic Zones Workshop to spur green manufacturing, zero waste principle and job creation at Oserian Two Lakes Industrial Park
- ▶ P4G Hub and Kenya National Platform Meeting took place on 27th October 2021 on co-creation of partnerships and alignment with national priorities.
- ▶ P4G Family Gathering Meeting to assess the State-of-the-Art Partnership Nominees took place on 21st October 2021.
- ▶ Engagements on Development of Kenya Progress Report /Country Position Paper on Sustainable Development Goals.
- ▶ 1 workshop on launch of Kenya's Decade for action for Accelerating Private Sector Decade of Action and Recovery through SDGs by Private Sector.
- ▶ Private Sector participation during the United Nations High Level Political Forum on Sustainable Development Goals and Side Event on Circular Economy.

Major Achievements

- ▶ National validation of green and circular economy policy frameworks including: The Green Public Procurement Framework; the framework to accelerate transition of private sector to green and circular economy; and the circular economy toolkit for policy makers.
- ▶ Review of 6 partnerships from the P4G 3rd call for proposals for alignment with Kenya priorities that will be awarded.
- ▶ E-mobility Round Table focusing on pillar for accelerating e-mobility solutions in Kenya. The pillars include, infrastructure upgrade, improved transport planning, development of national strategy for e-mobility solutions among others.
- ▶ Seoul Declaration, "On Commitment to Green Recovery for Rebuilding Economies from COVID19 Pandemic and Climate Change," during the 2nd Summit of the P4G that took place in Seoul Korea on 30-31 May 2021.
- ▶ Kenyan Partnership "Closing the loop on Textile Waste," was the overall winner for its exemplary solution recycling fashion waste, creating jobs, and reducing emissions. During the P4G State of the Art partnership awards that took place along CoP 26
- ▶ Nyayo Estate an implementing partner of the partnership for new plastics economy, declared a circular economy zone by Ministry of Environment and Forestry in July 2021 for embracing sorting of plastic waste at source.
- ▶ Private Sector Declaration and commitments on Accelerating implementation of SDGS in Kenya on 30th June 2021. KEPSA Chair and Vice Chair led the private sector to commit to implement and report their progress in the Decade of action.
- ▶ Developed the SDGs Assessment Framework for Private Sector Category. 10 Private entities submitted their score card for assessment. The winners declared in the Annual SDG Multi-Stakeholder Conference. Overall winner Safaricom for Corporate category and Sanergy for SME Category.

7) GENDER AND YOUTH

Key Engagements During the Year

- ▶ 12 Sector Board meetings
- ▶ 24 Sub Sector Board meetings
- ▶ 5 engagements with the Ministry of Public Service and Gender
- ▶ 3 National Gender Sector Working Group Meeting
- ▶ 4 Socio Economic Empowerment and Financial Inclusion Gender Sector Working Group Meeting
- ▶ Planning and observing the International Women's Day
- ▶ Planning for the localised Commission on the Status of Women (CSW) 64th Session
- ▶ 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
- ▶ 2 engagements with the National Gender and Equality Commission

Major Achievements

- i) The Gender Sector Board launched the inaugural Private Sector Gender Mainstreaming Policy held on 24th March, 2022 at Serena Hotel, held in partnership with the State Department for Gender, and in line with the Sixty – Sixth Commission on the Status of Women (CSW 66). Its aim is to provide practical guidelines for the adoption and implementation of gender mainstreaming in the private sector. It is guided by the principles of gender diversity and inclusion and recognizes that the private sector's policies, programs, and initiatives ought to contribute to the realization of gender equality in Kenya as it takes cognizance of aspects of gender by giving special attention to women, including young women, as they remain the most marginalized gender. The Sector Board is in the process of developing an implementation framework for the policy that will guide its roll out and dissemination in the private sector.



LAUNCH OF THE KEPSA GENDER POLICY,
MARCH 24, 2022 - SERENA HOTEL

- ii) Undertook a Gender Sector retreat on 1st December 2021 at Sarova Stanley Hotel with an aim to enhance the capacity of its members to effectively advocate for a GVB Free Private Sector. This was in line with the 16 days of activism against GBV with the focus to enhance the capacity of the members to effectively advocate for a GBV free private sector, validate the Private Sector Gender Mainstreaming Policy and launch roadmap, and the Private Sector Position Paper on GBV and economic justice and rights
- iii) The Sector Board hosted a Mental Health Webinar held on 28th October 2021 with over 200 participants that opened up opportunities and partnerships for further engagement towards identifying policy and strategy measures for addressing the growing need for demystifying mental health in the private sector and the society as a whole.
- iv) KEPSA, led by Gender Sector Board and in partnership with Unilever, KEPSA members - Kenya Association of Manufacturers (KAM) and Invest in Africa on 25th November 2021 hosted the Diversity Suppliers Workshop under the theme "Enhanced Capacity for Diverse Suppliers to Competitively Access Procurement Opportunities". The workshop targeted diverse groups of suppliers for awareness on Unilever Suppliers Diversity Program and how the suppliers can participate now or prepare themselves for the available or future opportunities.
- v) Board Diversity and Inclusion Study Report undertaken in partnership with Kenya Institute of Management (KIM), Nairobi Securities Exchange (NSE) and New Faces New Voices (NFNV) was launched on 14th October 2021. The study examined the impact of diversity and inclusion on organisational performance, decision-making, and productivity in the boardroom. In Kenya, gender diversity in the boardroom now stands at 36%, which is significant progress from 21% in 2017. In comparison, the global average of women holding board positions stands at 23.3% up from 20.4% in 2018.
- vi) KEPSA partnered with Women on Boards Network (WOBNet) and other partners in the inaugural WOBNet Annual Awards to celebrate and honour champions of diversity and inclusion on boards at the Movenpick Hotel, Nairobi on Friday, 26th November 2021.
- vii) The Persons with Disability and the Elderly Sub Sector Board is currently under establishment. An inaugural meeting was held between the Gender and Education Sector Boards with the British Council to discuss the potential areas of partnership and support in advancing the PWDs agenda in the private sector.

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 private sector Gender Based Violence (GBV) advocacy project under the Generation Equality Forum - a global gathering on gender equality convened by United Nations (UN) Women.

Some of the project achievements so far include;

- i) **Strengthening of GBV and Mental Health Sub Sector Board:** The GBV and Mental Health Sub Sector Board has been coordinating and championing GBV and mental health management and response in the private sector. Following this, 11 virtual monthly sub sector meetings were held with an aim of strengthening its operations, tracking the progress of the project implementation within the private sector and providing guidance on the next steps. This has resulted to enhanced coordination and leadership of GBV and Mental Health agenda within the private sector.
- ii) **Baseline study:** The baseline study on the prevalence, trends and impact of GBV on productivity in the Private sector was commissioned in June 2021. The study that targeted to draw key information from the employers and employees was finalized and its recommendations are informing the work of GBV in the private sector. The findings of this study revealed the dire need for heightened sensitization and awareness creation on role of the private sector in the elimination of GBV within the private sector due to the gaps thereof. A model private sector GBV policy framework on Sexual and gender-based violence (SGBV) for the private sector to promote and provide guidance towards establishing a violence - free environment that enhances dignity at work.



- iii) **The Private Sector Position Paper on GBV and economic justice and rights:** KEPSA has developed a position paper that provides a compelling business case for investing in GBV and actions towards prevention and response by the private sector. It also includes recommendations for Government towards an enabling policy environment for the private sector such as the ratification of the International Labor Organizations (ILO) Convention No. 190, Recommendation No. 206, and the accompanying Resolution on Eliminating Violence and Harassment in the World of Work among others.
- iv) **Partnerships:** KEPSA in partnership with the Shared Value Africa Initiative (SVAI) on the 24th June 2021 co-hosted an inaugural webinar on Gender Based Violence in private Sector under the theme, 'Private Sector Taking Action on GBV'. This webinar paved a way for negotiating the prioritization and investment in GBV programs as well as tackling the pain points that have constrained the mitigation and response efforts of GBV in the workplace. KEPSA has also partnered with Policare, which is the National Police Service (NPS) integrated response to Sexual and Gender-Based Violence (SGBV) in Kenya. This represents a strategic move towards enhancing reporting mechanisms and responses to GBV.
- v) **Capacity building on GBV and Protection against Sexual Exploitation and Abuse (PSEA):** A series of trainings on GBV sensitization and awareness have been undertaken targeting 40 KEPSA Staff in July, 94 Women on Boards Network members in September and 30 members of the Gender Sector Board in December. This was in a bid to boost the capacity of KEPSA staff and Members to effectively identify, report and seek support for any form of GBV in the private sector and community as a whole while sensitizing them on Generation Equality Forum (GEF) aimed at raising awareness and mobilizing for collective action. Following the trainings, the need to scale up capacity building interventions to other members of the private sector was apparent in order to enhance awareness on the need to join hands in the elimination of GBV in the private sector thus leaving no one behind.

vi) **Advocacy:** KEPSA has been at the forefront championing the private sector GBV advocacy initiative among its members and the government. At the private sector front, KEPSA has incorporated the GBV messages across its members through the website, social media and media engagements.

vii) **Stakeholder engagement:** Over the year, KEPSA engaged with various strategic partners to showcase the progress made by the private sector in acting on GBV. Some of the key engagements include;

- a. Participation in the monthly *Gates Guarantees* meetings that sought to report and review progress of the project as well as building a shared understanding of the GEF objectives, the GEF advocacy process, the action coalitions, and leadership structures
- b. Participation in the quarterly National Steering Committees on the Generation Equality Coalition for Action on GBV with the objectives raising awareness on the actions under the coalition and defining the role of the National Steering Committee under the GEF process. During the fora, the private sector shares its progress and achievements with regards to advocacy and mitigation of GBV
- c. Participation at the monthly GBV Gender Sector Working Group spearheaded by the State Department for Gender.
- d. KEPSA participated at the GEF Paris with an opportunity to showcase to the world the contribution of private sector towards elimination of GBV at the high-level event on 'The Private Sector Showcase for Gender Equality: Global Companies #ActForEqual' held on 2 July 2021
- e. Took part in the Generation Equality Action Coalition for Gender Based Violence launch on May 28, 2021 spearheaded by the State Department for Gender and Office of the President at the Kenya School of Government where the President, H.E. Uhuru Kenyatta, led the government commitments to ending all forms of GBV by 2026. KEPSA also made commitments to strengthen the mobilization of private sector actors with an aim of enhancing collaborative efforts and synergy towards eradication of GBV and other forms of violence against women, men, boys and girls

8) HEALTH



KHF MEMBERS MEETING – FEBRUARY 25, 2021

Key Engagements During the Year

In the year 2021, the KEPSA Health Sector Board, operating under the auspices of the Kenya Healthcare Federation (KHF) engaged as follows:

- ▶ 3 general members' meetings, 19 committee meetings
- ▶ 6 town Halls on Topical Issues and various Bills.
- ▶ Engagements with the Parliament
- ▶ Senate Standing Committee on Health
- ▶ NHIF bill
- ▶ Engagement with 7 County Governments (Mombasa, Machakos, Nakuru, Kajiado, Kiambu)
- ▶ 2 Ministerial Stakeholder Forum (MSF)
- ▶ 6 Courtesy Calls with Ministry of Health Offices and other Institutions.
- ▶ Annual General Meeting
- ▶ Trade Missions
- ▶ The Annual Health Summit 2021

Major Achievements

- i) Capacity building of KHF to advocate for a favorable business environment for private sector engagement in realization of universal health care in Kenya. KEPSA provided technical and financial support to the KHF leadership to undertake a capacity building session on Corporate Governance and policy advocacy from 1st to 4th November 2021 at the Lake Naivasha Resort with an aim to develop and capacity build effective leaders to strengthen, grow and adequately represent the Private Health Sectors adequately in line with KEPSA's strategic focus.
- ii) Development of the KHF Strategic plan with support from KEPSA is on course. The 2022 - 2026 Strategic Plan defines the organization's roadmap for the next five years. It sets out strategic programs that will enable the organization to build on its achievements and lessons learnt to effectively respond to the changing operational environment.
- iii) An engagement with the NHIF was held on 3rd March 2022 on the perennial issues of delayed payments, new contracts and reimbursement rates for specialized care. It also discussed the UHC progress and partnership in the operationalization of the NHIF Amendment Act, 2022. Following this, KHF submitted a Memorandum on the draft regulations to NHIF Act for consideration.
- iv) Collaboration with the Swedish – East Africa Chamber of Commerce (SWEACC) and the Kenya Embassy in Stockholm hosted a Health cluster webinar on October 6th on Universal Healthcare in Kenya: Opportunities for Scandinavia in partnership. The forum brought together partners from across the globe to discuss how to spur economic partnerships in healthcare.
- v) KEPSA has partnered with MOH through an MOU in a bid to support Government in shouldering the burden of vaccination efforts to accelerate the pace of vaccinations and get us closer to herd immunity by the end of the year. Under this initiative, the private sector in Kenya through KEPSA committed to taking on the costs of vaccinating free of charge those in their immediate purview and a portion of members in the community. currently, the second phase of vaccination targeting the community members is underway.
- vi) The Second phase of payer - provider engagement has been finalized through undertaking Focus group discussions and consensus build and validation of the findings from the cluster groups. Dissemination of the findings and position paper development underway
- vii) Led the private sector in consolidation of issues and recommendations for stakeholder participation in the development of the health laws and regulations. This was through undertaking townhall sessions on;
 - a. KEMSA Amendment Bill 2021
 - b. HS CODE Classification of Tax on hemodialyzer Products
 - c. Tax Issue on pharmaceutical raw materials.
 - d. Duty exemption on Healthcare Products and Technologies (HPTs)
 - e. Community Health Service Bill
 - f. Breast Milk Substitute NHIF (Amendment) Bill, 2021
 - g. The Health Laws Amendment Bill
 - h. NHIF Amendment Bill 2021
 - i. Town hall on Professional Association Engagement.
- viii) Undertook the collection and consolidation of KEMSA and NHIF pending bills and longstanding issues affecting businesses and submitted to MOH and Parliament in advocacy for settlement to enable the realization of optimum potential of the private sector in access to quality affordable healthcare for all.
- ix) Undertaking a Multi Stakeholder Partnerships (MSP) towards supporting the optimization of training and deployment of the chosen specialized health professions, thus contributing to improved healthcare system in Kenya. This is being implemented by KHF in partnership, Malteser International, Amref Health Africa, and Malteser International focusing on three under supported and under regulated cadres in the health system namely Emergency Medical Technicians (EMTs), Community Health Extension Workers (CHEWs); and Health Records and Information Officers (HRIOs).
- x) Participation in the development of the e-Health Bill, 2021 that has incorporated the private sector Draft Digital Regulations

- xi) Worked with the Ministry of Health Division of Vector Borne Diseases and The END Fund Kenya to create awareness on the Neglected Tropical Diseases (NTDs)
- xii) Worked with the Ministry of Health (MOH) to develop the COVID 19 ICU Dashboard, a platform that works around ICU bed management during the COVID 19 pandemic.
- xiii) Launch of Africa Medical Equipment Facility in partnership with IFC, Co-op Bank, General Electrics Healthcare, Phillips Healthcare and Karl Storz on 11th February, 2022 that was followed by training of the first cohort under the Africa Medical Equipment Facility.
- xiv) An engagement with the NHIF was held on 3rd March 2022 on the perennial issues of delayed payments, new contracts and delayed accreditation/onboarding of new services and reimbursement rates for specialized care. It also discussed the UHC progress and partnership in the operationalization of the NHIF Amendment Act, 2022. Following this, KHF submitted a Memorandum on the draft regulations to NHIF Act for consideration.

9) INFORMATION, COMMUNICATIONS & TECHNOLOGY (ICT)

Key Engagements during the Year

- ▶ 3 meetings with the Senate Standing Committee on ICT
- ▶ 2 meetings with the Office of The Data Protection Commissioner
- ▶ 2 meetings with Ministry of ICT on the National addressing system.
- ▶ Panel discussions at the connected Kenya summit 2022.

Major Achievements

- i) The Sector Board also gave input towards the Data Protection (General) Regulations, Data Protection (Compliance and Enforcement) Regulations, and Data Protection (Registration of Data Controllers and Regulators) which were then reviewed by the task force with comments from the Private Sector being adopted.
- ii) The ICT Sector Board was nominated by Uwezo wa Dijiti Kenya (UWADI-KE) to sit in a task force committee to achieve digital and data transformation through responsible and ethical investments aimed at strengthening digital capacity to improve service delivery in various development sectors.

- iii) The Data Protection Regulations were approved by the National Assembly with Private Sector input being incorporated.
- iv) 12 Schools have been connected to internet courtesy of Huawei. On the UNICEF project, 300 schools have been awarded to different operators and ISP's to ensure they are connected to internet.
- v) 1,200 schools (Both Primary and Secondary) have completed websites with domain names courtesy of Elimu holdings in partnership with Liquid Intelligence who are members of KEPSA and the KEPSA ICT sector Board.
- vi) The Start-up Bill was passed in December 2021 with Private Sector input being incorporated.

10) INDUSTRIALIZATION & TRADE

Key Engagements during the Year

- ▶ 2 Sector Board meetings
- ▶ 12 Sub-Sector Board meetings
- ▶ 4 Engagements with KRA
- ▶ 1 Engagement with NMS
- ▶ 1 Meeting with Kenya Bureau of Standards
- ▶ 4 Meetings with National Trade Facilitation Committee
- ▶ 1 meeting with the National Trade Negotiations Committee
- ▶ 1 engagement with the UNECA on AfCFTA
- ▶ 2 engagements with UNCTAD on trade facilitation

Major Achievements

- i)) Market access: conducted four market access sensitisations for members in the following areas: one agricultural sector opportunities session under the UK-Kenya EPA, two on the African Continental Free Trade Area and one the Democratic Republic of Congo.
- ii) Structured PPD with KEBS: the sector held an engagement with KEBS to try and address some of the challenges facing businesses while importing raw materials and other products. The engagement paid more attention on facilitating the SMEs with key recommendations to have dedicated staff to deal with challenges facing SMEs. The sector board managed to secure a formal and structure quarterly engagement with KEBS.
- iii) The Sector Board held a meeting two consultative meetings with leading Plastic distributors on matters of trade facilitation and the challenges they are facing when importing their products. Besides helping the distributors formulate their issues to engage trade facilitation agency for speed and simpler importation, the sector board assisted the distributors to understand the process of effectively engaging the policy makers for high results. In addition, the plastic distributors agreed to join the KEPSA fraternity and possibly explore opportunities to form a distributors sub-sector or even an association housed and mentored under KEPSA.
- iv) Re-orientation of the NTFC for enhanced private sector monitoring: The Sector continued to play an active role in the National Trade Facilitation Committee to spur implementation of measures that would make it simpler, faster and cheaper trade across the border. On 13th to 17th September 2021, the sector engaged in the NTFC workshop to relook the Committee's work plan and needs assessment. One of the key outcomes of the workshop was the re-organization of the Thematic Working Groups and having a dedicated fourth TWG for the private sector to lead on monitoring of the implementation progress by the trade facilitation agencies.
- v) **The Corporate Council on Africa (CCA)** in partnership with the Kenya Private Sector Alliance (KEPSA) hosted a roundtable discussion with Kenyan U.S. government officials and business leaders to explore how the private sector can support this bilateral effort and take full advantage of investment and trade opportunities that would arise from a Kenya-U.S. Free Trade Agreement.
- vi) **Ministry of Trade and Industrialization:** The engagement established a strategic framework with the United States for provision of technical assistance and trade capacity building in Kenya with the aim of maximizing Kenya's utilization of the African Growth and Opportunity Act (AGOA) trade benefits for the remaining years of the preference program, which is scheduled to expire in 2025. AGOA provides tariff-free access on 6,500 products to 39 countries, ranging from oil and agricultural goods to textiles, farm and handicrafts.
- vii) The Sector Board also gave its input in the development of the Local Content Policy. This would strengthen the capacity of locally manufactured goods. Further it would promote the national developmental agenda by nurturing local participation towards industrialization and international competitiveness of Kenyan nationals and firms at community, county and national level.
- viii) **Kenya Export Promotion & Branding Agency (KEPROBA):** Partnered with KEPROBA to sensitise members on the market access opportunities in the newly admitted member of the East Africa Community, Democratic Republic of Congo (DRC). The sensitisation focussed on the key sectors that would be of interests for Kenya's investors in DRC, the infrastructure and institutional mechanism in place to support investors, the risks associated and ways to mitigate them. Over 50 members benefited from the session including SMEs.

II) LANDS AND PHYSICAL PLANNING



Key Engagements During the Year

- ▶ 1 Sector Board meetings
- ▶ 6 sub-sector meetings
- ▶ 3 Lands and Physical Planning Ministerial Stakeholders' Forum
- ▶ 2 Engagement with the Ministry of Transport, Infrastructure,
- ▶ 1 Engagement with State Department of Environment
- ▶ 2 Engagements with Chair of the Council of Governor Technical Committee on Lands, Physical Planning, Housing and Urban Development Technical Committee
- ▶ 2 Engagement with NMS
- ▶ 1 Engagement with the Parliamentary Departmental Committee on Transport, Housing and Public Works.
- ▶ 2 engagements with National Construction Authority

Major Achievements

- i) 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.
- ii) The Cabinet Secretary Ministry of Lands and Physical Planning gazetted the Sectional Properties Regulations 2021 to operationalize the Sectional Properties Amendment Act 2020
- iii) The development of the National Land information Management System (NLIMS) for the Nairobi County by the Ministry of Lands and Physical Planning as it continue to develop structure to digitalize the rest of the country.
- iv) The Ministry of Lands and Physical Planning in collaboration with the private sector developed and launch a manual to guide the public on title conversion.
- v) World Bank, National Government and County Government launched Kenya Urban Support Program establish and strengthen urban institutions to deliver improved infrastructure and services in participating counties in Kenya.
- vi) As part of self-regulation, the private sector developed of Valuation Standards. The standard will address the challenges bedevilling the Valuation Practice & Valuation Profession in Kenya. This is in line Stamp Duty (valuation of immovable properties) Regulation 2020 gazetted last year.
- vii) The launch of a development approval system in Nairobi City County dubbed Nairobi Planning and Development Management System. This will reduce the time it takes for development application to be applied and approved hence reducing the cost of construction.

12) TRANSPORT & INFRASTRUCTURE

Key Engagements during the Year

- ▶ 5 Sector Board meetings
- ▶ 2 sub-sector meetings
- ▶ 1 MSF with Ministry of Transport
- ▶ 1 Joint Meeting with the Lands, Physical Planning and Housing Sector Board
- ▶ 1 Engagement between KEPSA, KEPSA members, PS State Department of EAC, and several government agencies on issues with transport and logistics in the Northern Corridor.
- ▶ 1 Engagement With KENHA
- ▶ 1 Engagement with NMS Transport, Roads and Public Works Directorate

Major Achievements

- i) The free period at ICDN has been extended by from four days to seven days.
- ii) KRC has reviewed the cargo railing rates downward to USD 500 from USD 600. The private sector continues to push for the same to be brought down to USD 350
- iii) The President also launched 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, and also bring Government services closer to small-scale traders.
- iv) There has been a tremendous improvement in the COVID-19 testing of truck drivers.
- v) Development and launch of 2020 Logistics Performance Survey (LPS) report by a consultant hired by Shippers Council East Africa with the Support from KEPSA. The survey established key performance indicators namely cost, time and complexity; further it also established the performance of the Central and Northern corridors and identified the key factors affecting logistics performance in Eastern Africa and proposed suitable interventions to address the identified pain points.
- vi) KEPSA supported the Shippers Council East Africa who have conducted a study on determining all other Fees, Charges and Penalties Levied/Paid to Border Agencies. The study will help in the advocacy work to ensuring Transport and logistics and the general business environment is facilitative.

13) PUBLIC FINANCE



THE OFFICIAL LAUNCH OF THE 4TH MEDIUM TERM PLAN
PREPARATORY PROCESS - FEBRUARY 2, 2022

Key Engagements during the Year

- ▶ 6 Sector Board meetings
- ▶ 8 sub-sector meetings
- ▶ 2 engagements with the National Treasury
- ▶ 6 engagements with the Kenya Revenue Authority
- ▶ 1 engagement with the NIFCA
- ▶ 3 engagements with the National Assembly Departmental Committee on National Budget and Planning.

Major Achievements

- i) The migration from ledger to iTax after the engagements has seen;
 - ▶ 22000 cases which were nil balances moved.
 - ▶ The erroneous penalties and interest due to delayed postings and internal KRA errors the allowable interest and penalties were removed.
- ii) In terms of Withholding VAT Tax refund;
 - ▶ As at 30.9.2021, 2,350 claims worth Shs.13.5b were lodged out of which 1,428 claims worth 8.6B have been processed.
- iii) In terms of non-recognition of prior year tax overpayments;
 - ▶ Tax Appeals Tribunal made determination and clarification regarding the meaning of Sec 47 of TPA 2015. KRA noted to be exploring ways of complying with the law while similarly facilitating taxpayers.
 - ▶ If one has an overpayment they would be required to apply for refund of overpaid tax and then specify whether cash refund is required or transfer to other periods' liabilities. This would determine how the application would be processed including level of verification/examination.
- iv) The Sector Board held an oral presentation to the National Treasury on the private sector budget priorities. In principle Treasury agreed on;
 - ▶ Separating the tariffs of fresh table eggs and fertilized eggs to remove excise duty from fertilized eggs of tariff 04.07.11 and 04.07.19.
 - ▶ The companies importing fertilized eggs should be recommended by Director of Veterinary Services in-order for them to enjoy the exemption from excise duty in the case the proposal is passed.
- v) The Finance Bill 2022 retracted the Imposition of 25% Excise Duty on Fertilized Eggs. This amendment will make the poultry farming sub-sector competitive in the region while also addressing the massive shortage that was being experienced of the day old-chicks.
- vi) KEPSA co-chairs the National Stakeholders Forum on the development of the MTP 4. KEPSA's input to the formation of the MTP 4 has been tabled in 16 out of 25 Medium Term Plan Sector Working Groups (MTPSWG) which have been established to identify/formulate sector policies, programmes and project and prepare Sector Plans and draft sections and chapters.
- vii) KEPSA will be represented at the Tax Agents Committee after KRA requested for Nominees. The operationalization of the committee will see the procedure for obtaining a tax agent license issue addressed to facilitate business.

14) SECURITY

Key Engagements during the Year

- ▶ 2 meetings with the National Counter Terrorism Center.
- ▶ 1 meeting with Independent Policing Oversight Authority (IPOA)
- ▶ 1 meeting with Connecting Business Initiative (CBI) on Disaster Risk Management

Major Achievements

- i) The Sector Board together with The National Counter-Terrorism Center (NCTC) developed a joint work plan for the year 2021-2022 to guide Counter-terrorism trainings for all KEPSA members and so far, over 2759 individuals have been trained in the last five months.
- ii) The Draft (3) of the Closed-Circuit Television (CCTV) policy was developed and finalized with Private Sector giving their input.
- iii) The National Computer and Cybercrimes Coordination Committee (NCCCC) was established under the Computer Misuse and Cybercrime Act of 2018 to enable timely prohibition, detection, investigation, prosecution, and response to computer misuse and cybercrime.
- iv) The Sector Board participated in the stakeholder process of the Nairobi County CVE Bill process by attending the public participation as well giving input towards the Bill which led to the passing of the Bill in March 2022.
- v) Connecting Business Initiative (CBI) held a meeting with KEPSA to strengthen the private sector and DRM in terms of training and exposure to other development partners within UN networks and as a result, the following items were resolved:
 - ▶ CBI extended an invite for a full week seminar in Geneva, Switzerland from 11th May where KEPSA nominated a nominee who will attend and represent Private Sector.
 - ▶ Signing of a form to join the CBI network and explore the possibility of having an MOU between the two entities.

15) SPORTS, ARTS AND CULTURE

Key Engagements during the Year

- ▶ 7 Sector Board Meeting
- ▶ 8 Sub- Sector Meetings
- ▶ 4 Engagement with the Ministry of Sports, Culture and Heritages

Major Achievements

- i) The State Department of Culture and Heritage trained women in 7 target counties on new designs and techniques of value addition of Ushanga through the Ushanga Kenya initiative. This has increased the earning of the target communities from Ushanga. The target counties are Samburu, Kajiado, Narok, West Pokot, Turkana, Baringo and Marsabit.
- ii) The Cricket Kenya Normalization Committee that was set up this early in 2021 submitted its report with proposal of how reform the governance of cricket sector in Kenya. The Ministry later organized for election of the new board which were done smoothly and the new board is in place
- iii) In a bid to strengthen the storytelling capabilities of filmmakers in the country, Kenya Film Commission rolled out the Kalasha Writers' Hub Film Residency Programme. This enhance skills of filmmakers creating more opportunity for them.
- iv) The creative sectors in Kenya and Somalia are benefitting from a new project dubbed "ArtXchange – Connecting Creative Youth in Africa and Europe" funded by the European Commission as part of their AU-EU Youth Cooperation Hub. The project start is supporting young creative professionals and community-based organizations by promoting collaboration, capacity building and exchange among Kenya, Somalia, Italy and Sweden.
- v) The resumption on normal sporting and creative activities including allowing fans into the stands has helped club raise some revenue while people from the creative sector have started earning considerable income.
- vi) Kenya has held successive international sporting events in since 2021 among them being the 2021 World Athletics Under-20 Championships, World Rally Championship, Rugby Sevens, the Kenya Magical Open Golf tournament, and Kip Keino Classic. The international sporting events are helping in recovery of the sport industry value chain especially the hospitality sector.
- vii) The enactment of the Copyright Amendment Act 2021 which has provided for fair formula for sharing of revenue from ring back tunes between the artists/copyright holders and the telecommunications companies. It provided that the artist should get a greater share of the revenue at fifty two percent. The Act repealed the provisions on takedown notices and requirements, the role of internet service providers and application for injunction. It has removed ambiguity in the role of internet service provider.
- viii) The Launch of Hiventy Africa which is Kenya's first Netflix technical partner in Africa which offers services such as dubbing, transcription, localization of content, distribution & exhibition on various platforms among other post-production services is a great win to the film sector. This is because it will enhance the growth of film sub-sector in the country creating more jobs.

16) TOURISM, TRAVEL & HOSPITALITY

Key Engagements during the Year

- ▶ Engagement with office of the President and line Ministries on impact of COVID-19 protocols to the Sector and the country's economy as a whole.
- ▶ Engagement with Give Directly to give monetary relief to individuals in the tourism, travel and hospitality industry whose jobs were affected by the COVID-19 pandemic.
- ▶ Engagement with National Counter Terrorism Centre and ENI for capacity building trainings in terrorism and oil usage in hotels towards sustainable operations.
- ▶ Engagement with the Ministry of Tourism and Wildlife on status and progress of sector.
- ▶ Engagement in the 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 and processing of E-Visa.
- ▶ Engagement with Kenya Airports Authority on airports and airstrips works expansions.
- ▶ Participation in the Tourism Strategy Reference Group under the Ministry of Tourism and Wildlife.
- ▶ Participation in the stakeholder validation of Tourism Policy

Major Achievements

- i) Roll out of the Election Period Operating Procedure: In order to ensure seamless operation of tourism during the election period, KEPSA through the Kenya Tourism Federation developed the Election Period Operating Procedure to be used as a yardstick by industry players and authorities alike
- ii) Signing of an MoU between KTF and ENI (Used Oil recycling company): Cooking oil is a vital essential in the industry and its rise in price has greatly affected business and it is foreseen to affect health status of the citizens by re using. The ongoing Russia-Ukraine war has particularly exacerbated the shortage of cooking oil, thereby affecting the hotel industry. To cushion hoteliers, KEPSA through KTF signed the MoU with ENI to bulwark against global supply chain disruptions as well as train members on used oil, disposing measures and utilization.
- iii) Development of tourism COVID -19 recovery strategy : KTF took part in Custodians of Travel summit with African Travel and Tourism Association (ATTA) to significantly resuscitate the sectors that have been adversely affected by the restrictions occasioned by the COVID-19 pandemic. Stakeholders at the meeting – including the Kenya Tourism Board, Kenya Airways, the Kenya Civil Aviation Authority, and the tourism sector BMOs under the Kenya Tourism Federation – agreed to promote synergies between government and the private sector to enhance tourism and travel in the country and beyond the borders.
- iv) Signing of an MoU between KTF and the National Counter Terrorism Centre (NCTC): The MoU was premised on collaboration and information sharing in Countering Violent Extremism (CVE) while expanding CVE campaign in the private sector. This is to foster capacity building on CVE in the industry and collaboration with KTF's safety and communication Centre especially during the upcoming elections.

Public Policy, Research & Analysis

EVIDENCE BASED ADVOCACY



KEPSA E-COMMERCE BOOSTER PROGRAM PORTAL
LAUNCH - JULY 29, 2021

E-Commerce Booster Program

The year saw the successful completion of the E-Commerce Booster program. The Program which was supported by Trade Mark East Africa with funding from European Union and UK's foreign Commonwealth Development Office had three components targeting namely on-boarding SMEs onto existing digital platforms, overseas e-market platforms and strengthening the digital marketing capabilities of the SMEs.

As part of the program achievements, 2,605 SMEs were trained and were a virtual graduation event was held on 29th July 2021 to celebrate the milestone. An online portal where SMEs can register and access digital training materials was also commissioned and impact assessment exercise was conducted to establish the impact of the program interventions to beneficiary SMEs.



EASE OF DOING BUSINESS FORUM
NAIVASHA - JULY 21, 2021

Doing Business 2022 Action Plan

As part of the long-term private sector engagement on enhancing the ease of doing business in Kenya, the department took a lead in the development of the national doing business 2022 action Plan with the Business Reforms Team at the Ministry of East African Community and Regional Development.

The Action Plan offers a strategic and intentional focus on high impact reforms that are prioritized with the business community. Part of the prioritized reforms areas is enhancing county competitiveness and the development of a county reforms index.

Survey on Private Sector Priorities for Business and Economic Recovery

In order to support KEPSA in its economic recovery strategy (2021 Strategic Focus – PPD Pillar), the department rolled out a survey in October to assess the challenges that businesses continue to face in the current business environment and come up with recommendations for government intervention through the NDICCC roundtable.

Comprehensive review of the East Africa Community Customs Management Act 2004 & Regulations 2010

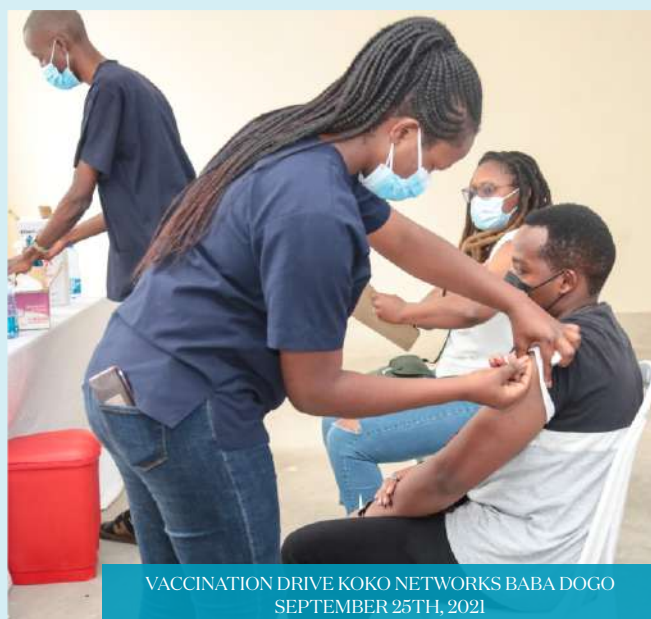
Following the changes in trade and application of laws within the East Africa Community, KEPSA through its membership; those that are immensely involved in cross border trade in the region, undertook a review process as part of the wider EAC.

KEPSA achievements documentary

The PRA department took a lead developing a documentary that showcases the milestone achievements of the private sector in the past 9.5 years. The documentary is as a result of the KEPSA practice of taking stock of the PPD engagements and related advocacy in a particular regime. The documentary features the impact of KEPSA advocacy work and all the activities including projects and initiatives that have benefited the business community and members of the public at large.

Documentation of the KEPSA Response to COVID-19 pandemic

Following a successful strategy of engagement during the COVID period, KEPSA has partnered with Dalberg to document KEPSA's response to COVID-19 as a case study. The report is to serve as reference point for any interested party on the complementing role of the private sector and success thereby during a Pandemic period.



VACCINATION DRIVE KOKO NETWORKS BABA DOGO
SEPTEMBER 25TH, 2021

Business Hub

SUMMARY OF BUSINESS FORUMS, EXPOS AND CONFERENCES 2021/22



HIGH-LEVEL KENYA- GULF CORPORATION COUNCIL GCC BUSINESS FORUM - FEBRUARY 15, 2022.



KENYA - BELGIUM BUSINESS FORUM- JUNE 22, 2021



MALAWI INVESTMENT FORUM - OCTOBER 21, 2021

FORUM	DATE	OUTCOME
Cybertech Global UAE (Dubai)	5 April 2021	This B2B and networking opportunity was availed to KEPSA members to participate and explore trade opportunities with their counterparts in attendance
Doing Business with Africa Symposium, an Africa Renaissance Series Event	8 April 2021	This B2B and networking opportunity was availed to KEPSA members to participate and explore trade opportunities with their counterparts in attendance
Kenya Los Angeles Business Forum	20 April 20 2021	This B2B and networking opportunity was availed to KEPSA members to participate and explore trade opportunities with their counterparts in attendance
MEDinISRAEL: 6th Biennial MedinIsrael Conference and Exhibition	20 April 2021	This B2B and networking opportunity was availed to KEPSA members to participate and explore trade opportunities with their counterparts in attendance
Highlevel Kenya – Japan Quality Infrastructure Dialogue	26 May 2021	This B2B and networking opportunity was availed to KEPSA members to participate and explore trade opportunities with their counterparts in attendance

FORUM	DATE	OUTCOME
A High-Level Dialogue with H.E. Saqlain Syedah, High Commissioner for Pakistan To Kenya On Trade and Investment Opportunities	28 May 2021	This B2B and networking opportunity was availed to KEPSA members to participate and explore trade opportunities with their counterparts in attendance
Business Ireland Kenya Breakfast Meeting	18 June 2021	This B2B and networking opportunity was availed to KEPSA members to participate and explore trade opportunities with their counterparts in attendance
Zimbabwe International Trade Fair (ZITF)	20 July 2021	This B2B and networking opportunity was availed to KEPSA members to participate and explore trade opportunities with their counterparts in attendance
Virtual US-Africa Business Summit	27 July 2021	This B2B and networking opportunity was availed to KEPSA members to participate and explore trade opportunities with their counterparts in attendance
5th Ghana Conference on Trade & Finance (GITFIC)	27 July 2021	This B2B and networking opportunity was availed to KEPSA members to participate and explore trade opportunities with their counterparts in attendance
1st Africa Sustainable E-Waste Conference And Expo	11 August 2021	This B2B and networking opportunity was availed to KEPSA members to participate and explore trade opportunities with their counterparts in attendance
Ghana Industrial Summit & Exhibition (GISE) 2021	17 August 2021	This B2B and networking opportunity was availed to KEPSA members to participate and explore trade opportunities with their counterparts in attendance
Macfrut 2021 Special Edition, Rimini, Italy	6 September 2021	This B2B and networking opportunity was availed to KEPSA members to participate and explore trade opportunities with their counterparts in attendance
Abuja International Trade Fair and The Halal Expo Nigeria 2021	14 September 2021	This B2B and networking opportunity was availed to KEPSA members to participate and explore trade opportunities with their counterparts in attendance
World Cooperation Industries (WCI) Forum, Istanbul-Turkey	15 September 2021	This B2B and networking opportunity was availed to KEPSA members to participate and explore trade opportunities with their counterparts in attendance
37th Edition of India International Jewellery Show (IIJS Premiere 2021)	16 September 2021	This B2B and networking opportunity was availed to KEPSA members to participate and explore trade opportunities with their counterparts in attendance
Virtual India Electricity Expo 2021	27 September 2021	This B2B and networking opportunity was availed to KEPSA members to participate and explore trade opportunities with their counterparts in attendance

FORUM	DATE	OUTCOME
Africa Trade Conference 2021	7 October 2021	This B2B and networking opportunity was availed to KEPSA members to participate and explore trade opportunities with their counterparts in attendance
14th World Energy Congress and Expo, Antalya Turkey	15 October 2021	This B2B and networking opportunity was availed to KEPSA members to participate and explore trade opportunities with their counterparts in attendance
The Malawi Investment Forum in Kenya	21 October 2021	KEPSA participated in the planning alongside other stakeholders. KEPSA CEO made remarks during the forum that was attended by KEPSA members to explore trade opportunities at hand with the counterparts in attendance and the forum was graced by the Malawi President
Turkey-Africa Economic and Business Forum, Istanbul Turkey	21 October 2021	This B2B and networking opportunity was availed to KEPSA members to participate and explore trade opportunities with their counterparts in attendance
Emerging Africa E-Commerce & Last Mile Logistics Virtual Summit	26 October 2021	This B2B and networking opportunity was availed to KEPSA members to participate and explore trade opportunities with their counterparts in attendance
The Circular Economy And Renewable Energy Expo	26 October 2021	This B2B and networking opportunity was availed to KEPSA members to participate and explore trade opportunities with their counterparts in attendance
High-Level Business Forum with A Business Delegation from France	29 October 2021	KEPSA hosted its French Partner MEDEF for a B2B and networking forum where by KEPSA renewed its MoU with MEDEF
Lagos International Trade Fair	5 November 2021	This B2B and networking opportunity was availed to KEPSA members to participate and explore trade opportunities with their counterparts in attendance
Algeria Invest Conference (AIC)	6 November 2021	This B2B and networking opportunity was availed to KEPSA members to participate and explore trade opportunities with their counterparts in attendance
Gulf food Manufacturing	7 November 2021	This B2B and networking opportunity was availed to KEPSA members to participate and explore trade opportunities with their counterparts in attendance
Intra Africa Trade Fair 2021, Durban South Africa	15 November 2021	This B2B and networking opportunity was availed to KEPSA members to participate and explore trade opportunities with their counterparts in attendance
High Level Visit to The Republic of South Africa	22 November 2021	KEPSA participated in the planning alongside other stakeholders. KEPSA members also attended the forum to explore trade opportunities at hand with the counterparts from South Africa

FORUM	DATE	OUTCOME
Kenya-Indonesia Business Virtual Forum	26 January 2022	This B2B and networking opportunity was availed to KEPSA members to participate and explore trade opportunities with their counterparts in attendance
6th Tanzania Mineral and Mining Conference	10 to 12 February 2022	This B2B and networking opportunity was availed to KEPSA members to participate and explore trade opportunities with their counterparts in attendance
7th Edition of the European Union - Africa Business Forum	16 February 2022	This B2B and networking opportunity was availed to KEPSA members to participate and explore trade opportunities with their counterparts in attendance
Global Summit on Flexible Packaging	23 February 2022	This B2B and networking opportunity was availed to KEPSA members to participate and explore trade opportunities with their counterparts in attendance
India International Ceramic and Building Material Fair (IICBMF)	8 March 2022	This B2B and networking opportunity was availed to KEPSA members to participate and explore trade opportunities with their counterparts in attendance
Cairo International Trade Fair	9 March 2022	This B2B and networking opportunity was availed to KEPSA members to participate and explore trade opportunities with their counterparts in attendance
Turkish Business Forum	14 March 2022	This B2B and networking opportunity was availed to KEPSA members to participate and explore trade opportunities with their counterparts in attendance
Tea Colors International Exhibition	15 March 2022	This B2B and networking opportunity was availed to KEPSA members to participate and explore trade opportunities with their counterparts in attendance
Kenya - Indonesia Business Forum	16 March 2022	This B2B and networking opportunity was availed to KEPSA members to participate and explore trade opportunities with their counterparts in attendance
East Africa Investment and Business Mission to India	18 March 2022	This B2B and networking opportunity was availed to KEPSA members to participate and explore trade opportunities with their counterparts in attendance
UK Business Climate Roadshow	21 March 2022	KEPSA participated in the planning alongside other stakeholders. KEPSA CEO attended and make the key note address during the road show also attended by KEPSA members to explore trade opportunities at hand with the counterparts from the UK
17th Annual Private Sector Conference (CASP)	23 March 2022	This B2B and networking opportunity was availed to KEPSA members to participate and explore trade opportunities with their counterparts in attendance
Annual Investment Meeting (AIM)	29 March 2022	This B2B and networking opportunity was availed to KEPSA members to participate and explore trade opportunities with their counterparts in attendance

FORUM	DATE	OUTCOME
28th Mediterranean Tourism Market (IMTM 2022)	30 March 2022	This B2B and networking opportunity was availed to KEPSA members to participate and explore trade opportunities with their counterparts in attendance
Dubai Expo	31 March 2022	KEPSA participated in the planning alongside other stakeholders. KEPSA leadership attended the EXPO together with KEPSA members to explore trade opportunities at hand with the counterparts in attendance more so during the Kenya Week of which was graced by H.E President Uhuru Kenyatta
KEPSA & Bergrs and More Financing Webinar	31 March 2022	Following the signing of a MoU mainly geared towards unlocking affordable finance, KEPSA sought to introduce this benefit to its membership through a webinar aimed at breaking down the benefits at hand
Bengal Global Business Summit	20 April 2022	This B2B and networking opportunity was availed to KEPSA members to participate and explore trade opportunities with their counterparts in attendance
62nd Edition of the Zimbabwe International Trade Fair	26 April 2022	KEPSA was a key stake holder in the planning of Kenya's participation. Kenya had a pavilion at the trade fair and managed to secure 3rd Position (Bronze award) during the awards ceremony
Swedish East Africa Chamber of Commerce Business Forum	28 April 2022	KEPSA participated in the planning of the forum, successfully run the program with the KEPSA CEO making remarks and there after B2B sessions were facilitated
High Level Plenary Session of the 2nd Japan - Africa Public Private Economy Forum (JAfEF)	3 May 2022	KEPSA participated in the planning of the forum, successfully run the program with the KEPSA CEO making remarks and there after B2B sessions were facilitated
Biomed Israel Conference & Exhibition and Health Exchange Program	9 May 2022	This B2B and networking opportunity was availed to KEPSA members to participate and explore trade opportunities with their counterparts in attendance
International Gem and Jewellery Show	10 May 2022	This B2B and networking opportunity was availed to KEPSA members to participate and explore trade opportunities with their counterparts in attendance
Slovak Investment and Trade Development Agency (SARIO) Trade Mission, Business Forum	19 May 2022	KEPSA participated in the planning of the forum, successfully run the program with the KEPSA Deputy CEO making remarks and there after B2B sessions were facilitated

KEPSA Projects

SME COVID-19 RECOVERY AND RESILIENCE PROGRAMME



Program Overview

The Kenya Private Sector Alliance (KEPSA) and the Mastercard Foundation entered into a partnership with an aim of supporting Small, and Medium Enterprises (SMEs) whose businesses were affected by the COVID-19 pandemic due to prevailing market disruptions. The program was implemented from July 2020 to December 2021 and targeted women and youth led/owned businesses aiming to preserve jobs and businesses. The intervention was through short-term loan financing without interest and no collateral provided to businesses that faced difficulties to access financing from formal lending institutions such as banks and micro-financiers as well as provide training, mentorship and coaching for SMEs.

SME Loan Applications & Disbursements

The loan application was done electronically and run for four months from October 2020 to January 2021. 710 loan applications were received while 106 businesses located across the whole country benefited from the loan financing amounting to KES 42,003,532. 78% of loan beneficiaries were female and 22% male. 32% were youths (below 35 years) and 65% were female adults (above 35 years old). The education sector was the largest beneficiary of the loan at 26%, followed by the wholesale and retail sector (19%) and manufacturing sector (7%). 52% of the beneficiary businesses were below 5 years old, 31% between 5-10 years old while the rest 17% were above 10 years old.





“ We invested the MSME loan in marketing to increase our social capital in the community and also to attract more customers.

We engaged a business development executive who helped raise our brand presence and increased hospital visits and revenue.

Despite the harsh business environment, we were able to retain our employees.

DR. KEVIN OCHIENG
Grays Medical Centre
Kisumu ”





“ The MSME loan helped us replenish our stock and pay our salary and utility bills. We used part of the money on marketing and sourcing medical products for our clients which attracted new business traffic.

Without the loan, most probably we could have closed our doors.

DR. IMMACULATE NUNDU
Humane Pharmaceuticals
Nairobi ”





“ The MSME Loan helped us improve the school infrastructure and replenish our food stocks in preparation for schools re-opening.

We also equipped the classrooms with Covid-19 mitigation necessities and were able to maintain all our teaching staff.

We also ensured that our pupils resumed school in spacious and much better classrooms than they left.

PRISCILLA WAMBUGU
Southwicks Schools
Nyandarua ”

Loan Impact to Businesses

The feedback obtained from the loan beneficiaries through calls, visits, surveys, and testimonials, indicates that the financing helped the businesses build resilience through the COVID-19 pandemic. Without the financing, many businesses would have either closed down or downsized their operations due to the effects of COVID-19. The beneficiaries of the loan were able to:

- ▶ Pay salary arrears for their employees. This was mainly reported by schools that had not paid their staff when COVID-19 hit the country and schools were closed.
- ▶ Re-stocking the businesses – Many of the businesses in the wholesale and retail sector were able to purchase new stocks for their businesses
- ▶ Implementation of the new COVID-19 guidelines – The loan assisted many businesses to implement the new COVID-19 guidelines such as establishing handwashing areas, and sourcing extra rooms and desks to enable social distancing among others.
- ▶ Re-aligning the businesses – The financing enabled many businesses to review their business operations such as enhancing online marketing and sales and opening new strategic shops/offices/stores
- ▶ The loan also ensured business continuity as a result of being able to overcome the challenges caused by disruptions of the pandemic.



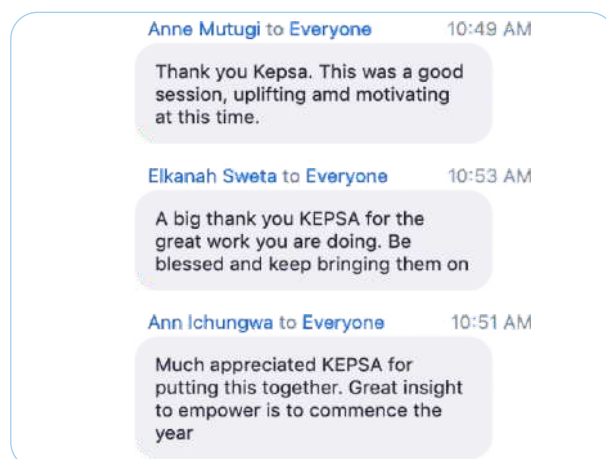
Training and Mentorship for SMEs

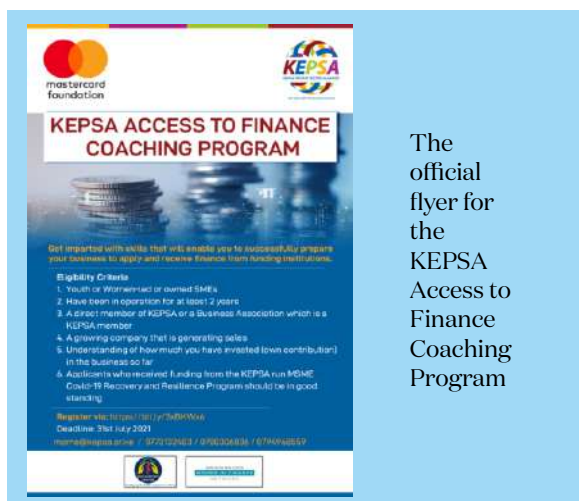
The CRRP supported training and mentorship of SMEs to build their capacity to overcome the COVID-19 restrictions. The sessions were held between January to December 2021 through 25 sessions (10 training and 15 mentorship) and attracted 10,735 participants. Majority of the participants were female at 61% while at least a third of the participants (33%) were from agriculture, livestock and fisheries then Trade (Retail, wholesale and distribution) at 26%.



A sample advertising flyer for the SMEs training sessions

Below are some Testimonials from some of the participants of the Virtual Training and Mentorship sessions





The official flyer for the KEPSA Access to Finance Coaching Program

Coaching to access finance

54 businesses were enrolled into the coaching lessons where they were taken through sessions on developing and preparation of a business plan, Financial Performance Summary, financial projections, and pitch deck. The SMEs were also linked to commercial and non-commercial investors whereby selected 13 businesses pitched to commercial (bank institutions) and non-commercial financiers. 9 out of 13 businesses underwent engagements with the investors and two of the beneficiaries successfully received over 5M funding for their businesses.

Development of Private Sector Gender policy

The project supported in developing of the “Policy Framework on Gender Mainstreaming in the Private Sector.” The policy seeks to institutionalize gender-specific measures and initiatives in the private sector in Kenya. It presents the sector's affirmative actions that endeavour to present to women and youth and other marginalized groups an opportunity to effectively contribute to growth and development in different facets of economies. The policy was launched on through the Gender and Youth sector board at KEPSA on 24th March 2022.



Guests showcase copies of the Private sector Gender Policy during the launch ceremony on 24th March 2022 at Nairobi Serena hotel.

Overall feedback on the impact of the CRRP program to businesses

- ▶ **Access to interest free loans** – 75% of the beneficiary businesses that accessed the loan were supported to grow their revenues, 58% managed to diversify products and services directly or indirectly, 80% succeeded in improving operational excellence, and 41% of the beneficiaries created new jobs and employed more people.
- ▶ **Virtual training and mentorship sessions** - 56.67% of the beneficiary businesses ventured into or improved online marketing and e-commerce, and 54.44% made better decisions on business financing. 47.22% indicated that the training helped enhance the overall productivity of their business. Peer-to-Peer Mentorship was most rated the impactful (56.6%) and training on Technology and E-commerce was rated most impactful (61.67%).
- ▶ **Access to finance coaching** - Coaching helped improve record keeping, financial analysis and presentation. 58% of the beneficiary businesses indicated that the coaching helped grow their revenues. 75% improved operational excellence. 37.84% applied for funding from financial institutions. 37% stated they have been able to create new job opportunities.

THE U.S.- KENYA SME TRADE INITIATIVE



Kenya Private Sector Alliance (KEPSA) and the Corporate Council on Africa (CCA) have had a longstanding relationship focused on increasing Kenya-U.S. trade and investment. The two organizations signed an MoU in 2012. Under these MOUs, KEPSA and CCA have over the years collaborated to organize a range of meetings and events pulling in their respective members.

The initiative provides a unique platform to facilitate U.S. and Kenyan SME partnerships, support women and youth run Kenyan entrepreneurs as well as U.S. women, minority, and diaspora owned businesses, and to help SMEs in both countries address the current challenges many faces to access the two markets.

The U.S.-Kenya SME Trade initiative has three core objectives:

1. Support greater U.S.-Kenya trade under the African Growth and Opportunity Act (AGOA). This support shall continue upon the expiry of AGOA in 2025 in accordance with any new trade Arrangement between the Governments of Kenya and the USA. On the Kenyan side, Kenyan SMEs will be provided background and training on AGOA market opportunities, including sector-specific market information. Those already exporting to the U.S., others that are export-ready (perhaps trading goods within the EAC region), and those informally trading products suitable for the U.S. market would be given appropriate support and training in scaling up their production, provided value chain linkages (i.e., potential U.S. buyers), connected to relevant Kenyan export promotion programs and resources, and provided briefings from key U.S. Government agencies that support the Prosper Africa initiative [including the USAID-funded East Africa Trade and Investment hub and agencies that provide financing.

2. Promote SME-driven Kenya-U.S. trade and investment as envisioned by the U.S. Prosper Africa Build Together campaign and initiative by capitalizing on and creating business relationships between Kenyan and U.S. entrepreneurs. In addition, Kenyans informally selling in the U.S. market would be supported in formalizing existing trade and scaling up to eventually be included in formal supply chains. Kenyan and U.S. SMEs would receive briefings from sector experts and hear about U.S.-Kenya trade success stories from entrepreneurs who have navigated the market opportunities and can advise on overcoming challenges.
3. Develop a database and online market of trade opportunities that will allow Kenyan and U.S. SMEs to connect with potential buyers, suppliers, financing, investment and partners.

KEPSA has already recruited and identified 25 SME beneficiaries from Kenya from the 120 applications received. Currently, compiling of company profiles for the selected beneficiaries is being finalized which will be used in match making with opportunities in the US.

U.S - KENYA SME TRADE INITIATIVE PROGRAM

Eligibility Criteria:

- Must have been in operation for at least 1 year
- Must have less than 100 employees
- Must be registered in Kenya and operational in any of the 47 counties
- Need to be ready to export or has been exporting and wants to scale up
- Application is open to KEPSA members only.
- Commitment to participate in the program

Apply via: <https://kepsa.or.ke/smes-opportunities/>
Only eligible and successful applicants will be contacted

+254 720 340949 | +254 735 999979 | msme@kepsa.or.ke

The official flyer of the U.S. - Kenya Trade Initiative

SME REVOLVING FUND



KEPSA Founding Chair, Dr. Manu Chandaria during a KEPSA event

After successful implementation of COVID Response and Recovery (CRRP) Project funded by Mastercard Foundation which supported SMEs with short term financing, Manu Chandaria through Chandaria Foundation provided KEPSA with a seed capital of 5M KES last year to set up a revolving fund for loans to support SMEs

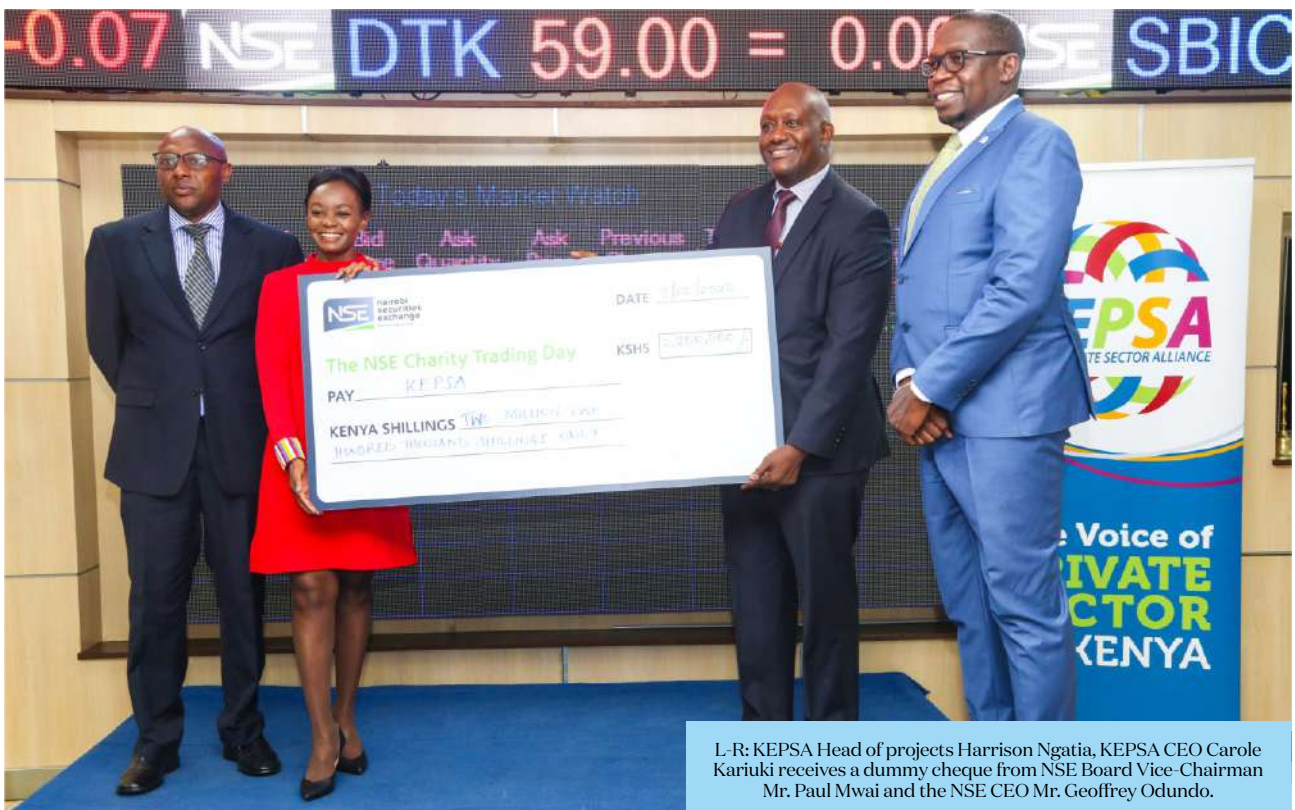
Further, KEPSA in February 2022 received an additional 2.2M KES from Nairobi Securities Exchange (NSE) to boost the kitty.

KEPSA has been in discussion with Banqtech (a subsidiary of NCBA) to develop a loan product to support KEPSA SME Revolving Fund initiative.

The key features of the loans to the SME's are as follows:

- ▶ Loan amounts ranging between Kshs.50,000 to 500,000
- ▶ Repayment period of between 90 days and 180 days depending on the risk profile of the customer after scoring
- ▶ Facilitation fees of 3% to 5%,
- ▶ Interest rate of 10% per annum (reducing basis)
- ▶ One loan per SME at any given time. Customer will not be able to drawdown another loan if this loan is still outstanding.
- ▶ No collateral requirement
- ▶ Loan categories - High risk SME's to get a maximum of Kshs.100,000 repayable in 90 days; medium risk to get maximum of Kshs.250,000 repayable in 120 days and low risk to get maximum of Kshs.500,000 repayable in 180 days.
- ▶ The revolving fund will initially for six months as a pilot phase before the full rollout

We call for more partners to support in growing the Revolving Funding amount to enable KEPSA scale the funding supporting the SMEs.



L-R: KEPSA Head of projects Harrison Ngatia, KEPSA CEO Carole Kariuki receives a dummy cheque from NSE Board Vice- Chairman Mr. Paul Mwai and the NSE CEO Mr. Geoffrey Odundo.

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.

In 2021, KEPSA identified five (5) pillars focused on building back better in the new world order after the Coronavirus (COVID-19) pandemic. From these pillars, the KEPSA Foundation focused on three of them through the different projects and programs aimed at socio-economic transformation and establishing a knowledge center.

01 SOCIAL

Focuses on employment creation for youth and women through enterprise development

1. Ajira Digital Program
2. Wezesha Youth Program
3. The Nairobi Forum
4. KEPSA social Network

02 GOVERNANCE

Focuses on Corporate Governance, National Leadership and Anti-Corruption

1. Mkenya Daima 2022
2. Multisectoral Forum-CIPE funded project on implementation of Bribery Act 2016
3. Police Station Improvement Program (POSIP)
4. The Blue Company Project

03 SUSTAINABILITY

Focuses on Climate Change, Sustainable Development Goals (SDGs), Green Economy and Blue Economy

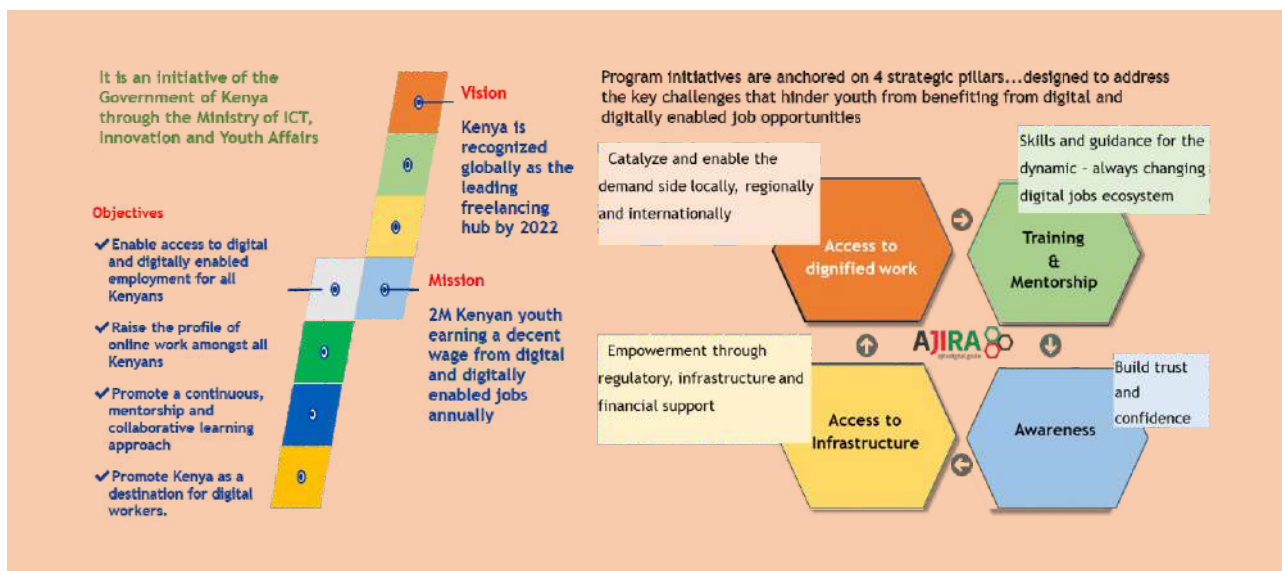
1. Sustainable Inclusive Business (SIB-K)
2. Natural Resource Forum

01 SOCIO-ECONOMIC TRANSFORMATION PILLAR:



Ajira Digital Program: Youth Development

In December 2016, The Government of Kenya through the Ministry of ICT, Innovation and Youth Affairs and in collaboration with academia, civil society and the private sector, set up the Ajira Digital Program to bridge the gap between skills demand and lack of jobs for youth. The program aims to introduce 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. Achieving the country's objective of a globally competitive knowledge-based middle-income economy in an increasingly digital world. The Ajira Digital Program also seeks to position Kenya as a choice labour destination for multinational companies as well as grow and encourage local companies and the public sector to create digital and digitally-enabled work.



In 2020, the Ministry of ICT, Innovation and Youth affairs partnered with the Mastercard Foundation's, Young Africa Works (YAW) initiative to scale the Ajira program activities and enable over 2 million Kenyans to access dignified work through digital platforms. The program implementation partners for the scale-up program are: Kenya Private Sector Alliance (KEPSA) and eMobilis. The Ajira Digital & YAW project covers different workstreams across the supply, demand and linkage aspects of the job's ecosystem.

Supply: Provide access to training and mentorship (work readiness and up-skilling opportunities) through operationalization of existing Constituency Innovation Hubs (CIHs) as well as institutionalizing Ajira Digital Clubs and curriculum in higher-level learning institutions (TVETS and Universities).

Demand: Increase local availability of dignified work through e-Government: Public Sector providing digital work and private sector engagement: Support of digital platforms.

Linkage: Enhance central linkage/information repository for all stakeholders & beneficiaries through revamping of the existing Ajira Digital portal to offer relevant and timely labour information to benefit the entire ecosystem needed to grow work opportunities powered by the digital space.

Achievements

E-government:

To date, a total of 1,204 young people have benefitted from the e-government workstream working as transcribers as well as data entry and scanning agents.

Cumulatively, a total of 183 court stations and 7 Tribunals have been impacted by the transcription pilot through Virtual court recordings tapped/downloaded from the stations and transcribed.

Close to 60 judicial officers have now completely put their pens down and are not manually taking notes in court. The specific officers are 7 Supreme Court Judges, 30 Court of Appeal Judges and 6 High Court Judges. Interesting to note that 100% of the Supreme Court Judges have managed to put their pens down completely.

The two BPOs managed to transcribe a total of 22,016.25 hours and submitted a total of 140,395 transcripts to the judiciary. Further, the BPOs have submitted over 102,701 legal transcripts to the Judiciary with a 98% acceptance rate.

This initiative is aimed at increasing the efficiency and turnaround time within the judicial process hence improved service delivery. The digital transcripts have improved overall efficiency and effectiveness of the judiciary operations through:

- ▶ Reduction in the amount of time a judge takes to complete writing a judgement. This has significantly helped in reducing the overall time spent to dispense justice.
- ▶ Reduction in the time taken by judicial officers to review physical notes of proceedings and to determine cases.
- ▶ Reduction of the average time taken from commencement of proceedings (filing of initiating documents) to completion of matter from 10 days to 3 days

- ▶ Reduction in errors of omission that would potentially arise through taking notes while the hearing is ongoing.
- ▶ Improved judicial records management-records are now easily tracked, stored, managed and reproduced at a low cost
- ▶ Piles of paperwork that are hard to reference and often even harder for the parties to access – has now been solved in the courts that are fully on transcription
- ▶ Enabling advocates and other professionals who are busy dealing with multiple legal cases to save time and money while developing trial plans, deciding on questions to ask witnesses during a trial, creating a plan for appeals, understanding the judge's decision and using transcriptions as evidence thereby improving their chances of a positive outcome in court.
- ▶ Improved income for lawyers/advocates as they are able to take on more cases due to quick turn-around times.
- ▶ Reduction in logistical challenges involved in accessing records – travel costs, waiting time in physical queues, printing costs etc.
- ▶ Enhanced active engagement in proceedings and observation of the parties
- ▶ Reduction of backlog of cases for determination as well as workload and productivity for the judges
- ▶ Positive step towards stamping out corruption due to the enhanced transparency of the judicial processes.
- ▶ Improved accessibility for those who live far from legal centers or who struggle to afford the costs of seeking justice.
- ▶ Increase in transparency, accountability and faster execution of cases and thus enhanced public experience of the justice system
- ▶ Quicker execution of cases thus unlocking more business opportunities as well as creating a conducive and attractive business environment where investors both local and foreign feel confident in investing locally.

Development of Government Outsourcing Blueprint

During this reporting period, Ajira advanced in the development of the Concept Paper to give a rationale on the need for the government to outsource digital work to the freelancers in Kenya. The program has been working with an external consultant and has so far developed and reviewed the Legislative Framework Review (LFR) with several laws and regulations to give direction on how to anchor Ajira Digital Program. The program also engaged the consultant in reviewing of the Ajira Strategy for 2022-2026. KEPSA as well as the Ministry team is currently finalizing on this workstream.

Judiciary Pilot Sustainability Plan



During this reporting period, the following was achieved as part of the sustainability plan;

- ▶ Review of the draft sustainability plan for transcription services to address the sustainability of work created.
- ▶ Development of revised implementation plans and budgets
- ▶ Review of the action plan
- ▶ Development of rationale for fundraising and grant-seeking activities as well as identifying potential partners.

Private Sector Engagement

- ▶ A total of 72,243 young people linked to international and local digital work platforms with 47% of these being young women. Majority (44%) of the work opportunities were from BPO's, 29% of them being linked to online work platforms. Other work streams included e-commerce (9%), Gig economy (13%), MSME'S (4%) and Blue-Collar (1%).
 - ▶ Most of the work linkages were from the urban areas of Nairobi, Kiambu, Mombasa Nakuru while other areas had very low numbers of young people being linked to work. Through these linkages, young people are able to earn an average of Kshs. 20,000 per month (National Survey on Digital and Digitally enable work report, 2021) and are also able to take on different gigs sometimes at the same time depending on their level of skill and expertise.
 - ▶ Engagement with over 100 digital work platforms out of which over 60 partnerships have been secured. The program was able to engage a total of 28 platforms in work opportunities linkages.
 - ▶ Creation of a centralized database / directory of local digital work platforms in Kenya that Ajira will continue to monitor and explore areas of collaboration.
 - ▶ In order to accelerate outsourcing & digitization of work and services within the private sector, the program conducted a landscape analysis "Digital Outsourcing Barometer Survey", during this reporting period that was able to document the outsourcing trends, behaviors, success and challenges within the private sector in Kenya. Findings from the report showed;
 - ▶ moderate use of Digital Work Platforms at 41.2%, led by SMEs that outsource services through them.
 - ▶ low penetration of BPOs at 18.5%, adopted largely by enterprises and rarely used by SMEs.
 - ▶ 6% of outsourced work goes to on-demand service providers as organisations retain most functions in-house.
 - ▶ Over 65% of organisations that outsource are driven by business and operational efficiency.
 - ▶ COVID-19 Pandemic had a net effect on the growth of Digital outsourcing Practices unlike the shift to remote working.
- ▶ A total of over 13,000 businesses reached with information on digital and digitally enabled work opportunities and the benefits that lie there-in for them as businesses.

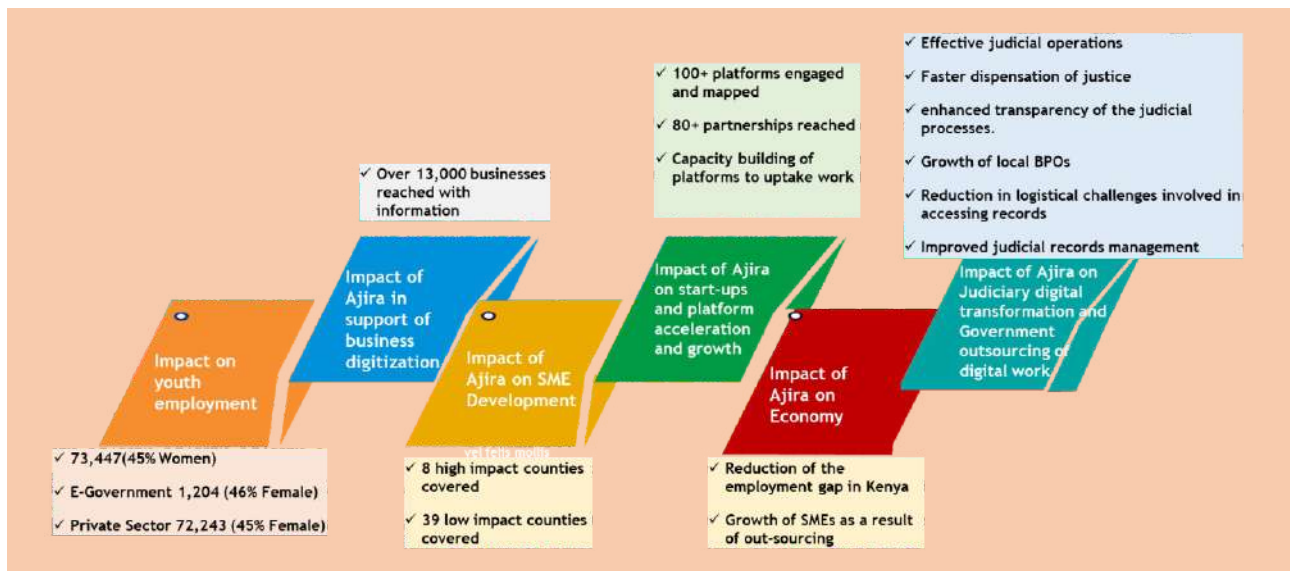
“Prior to working with Ajira, Adept Technologies was a small brand and had not previously worked in executing any notable government work. As a result of working with Ajira, the company's brand has grown, is now widely recognized and visible to audiences who had not been reached before. As a result, of the visibility, we as an organization have been able to attract new clients from the legal fraternity. Additionally, we have seen a steady growth in revenue as the production hours have increased over time. We are also anticipating further growth with the contract award to execute more work under data entry and scanning phase II workstream so as to continue providing dignified, fulfilling, decent and meaningful work to the Kenyan young people.

Mumbi Muriuki- Adept Technologies

Revamping the Ajira Portal and E-learning curriculum development.

The old Ajira portal continued to be resilient with enhancements to modules such as certificate management that has enabled young people who have completed their Ajira courses to be able to get certificates. Enhancements to the Ajira communication module has also been key in facilitating the daily training activities for Program 1 and 2.

The revamped portal has been instrumental in providing a platform for highlighting Ajira partners with focus on the Gig Economy, BPOs and Outsourcing. So far, 17 partners have been featured on the revamped Ajira Portal. Additionally, the portal has also played a key role in highlighting some of the key success stories and testimonials that relate to the programme. So far, over 10 such stories have been published on the portal. This has been done so as to ensure that the Ajira success is adequately communicated which helps in gaining traction for the program as a whole.



The portal has also been instrumental in sharing work opportunities to the young people with over 50,000 young people reached so far through the revamped portal. Additionally, in terms of the traffic registered so far on the portal, more young people continue to enrol onto the portal with over 60,000 new young people registering on the new portal. This brings the total membership to over 258,000. This again shows the increased interest and willingness of the young people to take-on digital and digitally enabled work opportunities and the need to continue ensuring that these opportunities are available to them.

The portal also provides a platform where young people have access to free self-paced online courses. The program so far has managed to get into partnership with learning providers such as CISCO, HP, Program Management Institute, Ating'i among others. The willingness amongst young people to take up digital and digitally enabled work is also manifested in the increased number of them who are now taking up self-paced e-learning courses provided on the portal with over 20,000 young people registering for these courses. The young people now recognise the need to ensure that they are well positioned to take-up work through equipping themselves with these digital skills that they require to succeed in the digital world.

The Future is Bright for Ajira

The best is yet to come for Ajira. Globally, the digital economy has become the growth engine for the economy and gained substantial importance as a driver of innovation and competitiveness. This is because over the years, more economies have become more aware of the pivotal role that the digital economy plays in shaping economies. This then calls for adoption of this new reality by all players in the economy as we move towards an era where going digital is no longer simply part of how day-day activities are carried out but where the digital economy forms the bedrock of economic growth.

In achieving an e-government, the Government has made huge strides in the digitization efforts. However, many institutions across the MDAs continue to rely on manual processes. The Government realizes therefore that, there still exists room for leveraging on new and emerging technologies and intends to digitize all its services to support a citizen-centric service delivery that leads to increased opportunities that a digital economy provides. The impact of a fully digitized government service that Ajira is working towards achieving is a public that fully participates in the national issues due to the ready access to information, growth in e-commerce, increased revenue to the government, wealth creation and an improved business environment.

Ajira's focus with regards to private sector engagement is to get small and mid-size companies to actively engage in the digitization process so they can strengthen their market positions in the future and conquer new markets. There is still a lot to do in order to make this possible, in particular in the area of raising awareness for digital development possibilities which Ajira will focus on in the coming year.

Wezesha Youth Placement Program: Youth Development

The initiative was a one-year collaboration between KEPSA and Education for all Children (EFAC) which aimed to create an eco-system, through collaboration, where beneficiaries were placed within organizations, companies and/or programs for the purpose of building their skills, competences and experience that would enable them to eventually be placed in the job market. The aim of the program was 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 been implemented between January – December 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 144 organizations mobilized as employers with a total of 449 placement opportunities. 122 matches made with 98 interested employers comprising of 30 scholars.

With demand exceeding supply KEPSA carried out an in-depth survey among the scholars to identify the current needs and challenges the scholars were facing based on which proposals would be developed for new possible ways to restructure the program to meet those needs.

As part of the mentorship component KEPSA participated as a Judge/ Mentor in the Bridge to College Transition Workshop organized by EFAC on Friday 25th May at the Africa Nazarene University. The workshop intended to prepare scholars (Form 4 ex- candidates) practically and mentally for university/ collage life. It offered the scholars the opportunity to evaluate their preparedness and open their minds to what they need to look out for as they prepare eventually to enter the job market. Additionally, KEPSA, through its Ajira Digital project, hosted EFAC scholars during a #JobHuntingSkills webinar that focused on how to upskill on job hunting skills.

“

With the current assignments, there are days work is done from the office and on other days remotely. My experience so far has included a lot of learning and exposure with minor challenges like access to reliable internet when working remotely.

The work at ASNET is aligned with my career goals and the fast pace of the institution is challenging me to be responsible, take initiative and stay focused on my deliverables. Moving forward, I am hopeful and look forward to being absorbed as an employee after the 3-month internship engagement.

The Wezesha program has impacted my life in various ways including and not limited to interview preparedness, professional etiquette and personal branding. Networking sessions and job opportunities shared through EFAC have also impacted my job search experience greatly.

Charity Bhoke (Intern)

Mkenya Daima: National Values/ Governance

MKENYA DAIMA is a non- partisan multi stakeholder platform formed in 2012 with a primary purpose of inspiring peaceful elections and smooth transition thus creating stability which is essential for businesses continuity and prosperity for Kenya as a Nation. Previous initiatives under Mkenya Daima saw the country experience relatively peaceful elections in 2013 and 2017.

The initiative is inspired by the private sector but is for all Kenyans and brings together representatives of various stakeholder groups including the Business community, Religious leaders, Civil society, Media, Youth and Women leaders.



As Kenya looks forward to the 2022 General elections and the evolving governance space there is need to collectively look and envision a prosperous Kenya and aspire towards that vision. Mkenya Daima 2022 is focusing not only on pushing for peaceful elections and smooth transition, but also building on **'Wajibu Wangu'** (my responsibility) to **"Nitatenda Wajibu Wangu"** which is rallying all Kenyans to be responsible for Kenya and to choose the right leaders at every level. The initiative will work with the current and aspiring leaders to influence political manifestos that will focus on people centered and economy-led transformation

This is being implemented under three pillars:

- 1) **Leadership:** Influencing the choice of leaders based on Chapter 6 of the Constitution of Kenya, experience & good performance with an aim of Increasing awareness among Kenyans on good leadership qualities to promote election of transformative leaders into power and enhanced positive discourse on a prosperous Kenya to increase hope, confidence and optimism among Kenyans.
- 2) **Political Economic Manifestos:** Influencing political manifestos to focus on a people centered and economy led transformation geared towards public safety and competitiveness with the support of block chain systems.
- 3) **Peaceful elections and smooth transition:** promoting peaceful campaigns, elections and transition through advocacy, messaging and signing of the peace pledge by the leadership at different levels and the citizens

Achievements

Operations & Governance

- ▶ Partnership agreement with DANIDA to support the implementation of the initiative.
- ▶ Engaged Standard Media Group as Media Partners
- ▶ A Mkenya Daima Think Tank team constituted to develop the vision and strategic direction of the initiative. The Steering committee was re-constituted with sectoral representation offering strategic and operational guidance. Chaired by Dr. Vimal Shah
- ▶ A media launch was held on 10th March to propel the Mkenya Daima 2022 initiative in to the public space and create awareness
- ▶ Participated in the UN High-level meeting of the General Assembly on Financing for Peacebuilding. KEPSA CEO, Ms. Carole Kariuki delivered a presentation on the Private sector in Kenya and the role it's played in Mkenya Daima and Peace Building thus propelling the initiative on a global platform

Political Pillar – Leadership and Governance

- ▶ Push for the uptake of Voter registration through a Press statement and social media messaging
- ▶ Held 8 Stakeholder engagements to develop modalities of how to partner and work together to push forward and disseminate the Mkenya Daima messaging. These included Religious Leaders, Private Sector, Social media influencers, Youth/ Student Leaders, Civil Society
- ▶ Held 4 Sensitization events - 1 civic engagement on electoral process targeting the youth and 3 Election risk and preparedness forums for private sector.
- ▶ Held 3 Sensitization events - 1 civic engagement on electoral process targeting the youth and 2 Election risk and preparedness webinars for private sector.
- ▶ Had an engagement with institutions charged with the management of the National Elections including IEBC, EACC, ORPP and IPOA.



- ▶ Showcased 1 international scenario and case studies on international leaders who can provide a benchmark to change the mindset of Kenyans on what good leadership is and how it should look like. Learning from best practices on Leadership with H.E. Ellen Sirleaf on 15th March 2022: Leading and turning around a war-torn country
- ▶ Participated in 11 key engagements with likeminded partners and in partnership events/trainings disseminating the Mkenya Daima message. With Academia (VC's), Peace Champions (Tegla Lorupe), UWIANO, USPAK with over 1000 student leaders, International Alert, Vision 2030, NCIC/ ECES evaluation on Election environment in Kenya
- ▶ Engaged and participated as a Key note speaker during the Mount Kenya University 2nd International Conference on Peace, Security and Social Enterprise with the KEPSA CEO, Ms. Carole Kariuki delivering on "Mobilizing the Private Sector for Peace through Mkenya Daima"
- ▶ Participated and contributed towards a 2022 Election Building Scenario workshop that sought to identify the main drivers and determinants of the 2022 general elections; issues that require further research; and dynamics and perspectives that will be important to monitor as factors change within this season
- ▶ 6 on-going partnership engagements for on the ground activation – SHAFCO, USPAK, RUBICOM, Youth for Peace under One Nation Under God (ONUG), MSK, Cereal Millers Ass.
- ▶ Continued engagement with stakeholders - increased focus and activation with the Youth and Religious community

Economic Pillar – People centred and economy led Manifestos

- ▶ Development of the Private Sector Economic Manifesto (PSEM) spearheaded by KEPSA towards influencing political manifestos
- ▶ Engaged with Political candidates to present the Private Sector Economic Manifesto including Azimio la Umoja led by Rt. Hon. Raila Odinga and Kenya Kwanza Alliance led by H.E. Deputy President, Hon. William Ruto, both of who are willing to work with KEPSA to further develop the recommendations within their manifestos



- ▶ Public dissemination of the Private Sector Economic Manifesto through media

Social Pillar - Peaceful elections and smooth transition

- ▶ Unveiling of the Leadership & Peace pledge during the Mkenya Daima Media launch where the entire Steering committee signed on
- ▶ 51 pledges signed so far
- ▶ Continued call to other leaders and citizens alike to sign

- ▶ Contributed in the Pre-Election Assessment Mission conducted by the International Republican Institute and National Democratic Institute & the AU/COMESA/EAC team as part of our engagement with the International election observers in Kenya to discuss the state of preparedness by the country before the general election and the overall context in which the polls will take place.
- ▶ The initiative is currently planning a Leadership and Peace pledge signing event that will bring together all political candidates, leaders and stakeholders to publicly sign the Leadership and Peace Pledge.

Communication



- ▶ Development of the Mkenya Daima Documentary - To capture the voice of Kenyans, get a feel of what is on the ground and what the expectations are; Highlight the country's past success and present opportunities; & Create awareness on the responsibility of the voter in putting in place transformational leaders.
- ▶ Development of the Communication strategy – Core communication *“Mimi ni Mkenya Daima, Nitatenda wajibu wangu”* - #Kujiandikisha; #Kupiga Kura; #Kuchagua viongozi bora; # Kudumisha amani
- ▶ Development of Information, Education & Communication Material (IEC material) including Peace message video clips by key leaders within the society, Mkenya Daima documentary, e-posters pushing the Mkenya Daima peace message and 'Nitatenda Wajibu Wangu' slogan
- ▶ Social Media activation and campaigns including internal communication launch
- ▶ Main Stream media engagement – TV and Radio interviews (KBC TV, Citizen TV, KTN, KASS FM)

Multi-Sectoral Initiative Against Corruption – Governance

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

- Governance and Anti-corruption
- Humanitarian Support – under the Pamoja Imara Initiative
- Citizen Agenda

During this period increased focus was given to the Governance and Anti-corruption Pillar.

Partnership with Blue Company

KEPSA has partnered with The Blue Company Project to strengthen the fight against corruption through collective responsibility and self-governance among KEPSA members and the wider private sector in the long run. The partnership aims to create a platform that will create awareness around the fight against corruption and all its forms within the private sector.

A key aspect of this initiative is to call upon executives of companies and associations to take lead in the fight and stand up and be the first to be securitized and counted as Blue Companies, denoting a corruption free environment, with an aim of promoting transparency, accountability and integrity.

Towards this, activities undertaken included:

- ▶ Creating awareness through a webinar for KEPSA members on 8th June 2021 dubbed “Going Blue: Helping to create a corruption free business environment in East Africa” The aim of the webinar was to sensitize KEPSA members on how to GO BLUE and become certified Blue Company Members denoting a corruption free environment.



As a result of information dissemination, 20 members, both direct corporates and BMO's have Gone Blue

- ▶ In commemoration of the African Anti-corruption Day 2021 on 11th July, held a webinar on 12th July focusing on "Public - private sector synergy and collaboration in the implementation of the African Union Convention on preventing and combating corruption (AUCPCC)". This was to highlight the importance of synergies and stronger collaboration between the public and private sector as anti-corruption stakeholders in the fight against corruption in the African continent as espoused by the African Union Convention on Preventing and Combating Corruption and how the private sector can play its role.
- ▶ Partnered in the launch of the Blue Company Project on 27th October 2021

Partnership with CIPE to mobilize the private sector to be champions for ethics and integrity

Signed a partnership agreement with CIPE to undertake the following activities:

- i. Support the finalization of the regulations and guidelines to operationalize the Bribery Act 2016.
- ii. Create awareness of the Act within the private sector

Achievements:

- ▶ **Hosting of the Africa Business Ethics Conference (ABEC) -** Partnered in the execution of the Africa Business Ethics Conference (ABEC) on 7th -8th December 2021 commemorating the International Anti-Corruption Day under the theme, Business Ethics & Sustainability; A Case for Self-Regulation. Corruption in Africa is still a standing threat to our national security and in order to tackle the vice, there is need for concerted efforts by all sectors in the society. This conference aimed to address some of these challenges and provide solutions on how to self-regulate.
- ▶ **Review of the Status of the Bribery Act, Regulations 2021 and the Bribery Act, Guidelines 2021 -** Engaged the Office of the Attorney General on the status and gazettment of the Regulations and Guidelines. It was confirmed that:
 - ▶ The Bribery Act Regulations/Procedures 2021 were published on 10th December 2021. The Regulations are in force and will only change if the National Assembly recalls them.
 - ▶ The Bribery Act, Guidelines 2021 were gazetted on 22nd October 2021 and are also in force.
 - ▶ Public participation on the Regulations was done before refinement and subsequent publication of the Regulations and KEPSA/CIPE input was adopted in the final published Regulations.
 - ▶ The Bribery Act, Regulations 2021 had been transmitted to the National Assembly for consideration but yet to be tabled by the National Assembly Committee on Delegated Legislation.
- ▶ **Awareness Creation of the Bribery Act Regulations, 2021 and Bribery Act Guidelines -** Currently developing simplified versions of the Bribery Regulations and Guidelines for sensitization and dissemination within the private sector





Better Business Practices for Children: Children Welfare

The UNICEF funded project aims at leveraging and Scaling up BBPC through private sector intervention is well in line with the County and National Initiatives of promoting and improving Maternal, Infant and Young Nutrition Practices within the Nairobi County. This project has been reaching the women in the low urban settlement poor with key Maternal Infant and Young Child Nutrition (MIYCN) messages in a bid to ensure that the health and nutrition outcomes of women and children are improved.

Achievements:

- ▶ **Sensitization of the Agro –Processors, Food Marketers, and Women Leaders to Propagate Nutrition Agenda:** 9th June 2021, the project conducted sensitization session for 30 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, which is a crucial aspect for children's development.
- ▶ **Establishment of Model Lactation Station at a Public Space:** Through the guidance of BBPC Technical Advisor, Ms. Gloria Ndekei, the project continues setting up a lactation station at Uhuru Market through continued collaboration with the Government, the Nairobi Metropolitan Services (NMS) and the private sector in a Public Private Partnership to secure workplace support for breastfeeding. This space was allocated and rehabilitation work been approved by the Nairobi Metropolitan Services (NMS) towards complementing the broader objective of strengthening urban services and infrastructure in the Nairobi metropolitan region in the flagship projects. Once completed, it 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.
- ▶ **End line Study on level of MIYCN awareness of women within Nairobi urban poor:** The endline study was commissioned in November 2021 through a consultative inception meeting between the consulting team and the BBPC project team led by the project Advisor Ms. Gloria Ndekei. The purpose of the end-line evaluation survey was to provide detailed information at the end of the project to compare project achievements against the situation at the start of the intervention. The survey was also to help draw key lessons learnt and best practices and establish the level of change in Knowledge, Attitude and Practices (KAP). Following the inception and preparation of data collection tools, the study protocol was presented to the MIYCN Technical Working Group on 29th November 2021 and paved way for data collection in the project sites (Githurai, Gatina, Githongoro and Mathare) as well as key informant interviews drawn from the project stakeholders.
- ▶ **Stakeholder validation of the End line Study report:** KEPSA Foundation on 18th January, 2022 undertook a stakeholder validation of the End line Study Report at Sagret Hotel, Equatorial in Nairobi. The validation forum brought together by representatives of the UNICEF, Ministry of Health, Nairobi Metropolitan Services, Women Chama Leaders and Agro-processors. A presentation that focused on the key findings of the study in regards to the impact of the project over the implementation period and recommendations of opportunities of further project scale up and sustainability was made

Nairobi for Africa: Social Impact

The Nairobi Forum is an umbrella initiative under KEPSA foundation that is driving the inclusive Nairobi transformation agenda to make Nairobi the number one city to live, work and invest in Africa

Highlights

The Nairobi Forum Annual Summit

We were able to participate in the Nairobi Placemaking week as partners. We used our social media platforms to engage Nairobi citizens to engage in the activities.



As part of our mandate to host the Nairobi Forum Annual Summit, we were partnered with The GoDown Arts Centre, KEPSA Foundation, AAK, Placemaking Week and Urban October to facilitate an Urban Dialogue in a hybrid session at The GoDown Center, Kilimani. The event aimed to create a citizen's conversation on what the sources of our urban future are. The speaker's included Stella Mutegei and Kabage Karanja of Cave Bureau, Prof. Alfred Omenya, Adjunct Professor of Architecture, University of Canberra, Florence Nyole, Vice President AAK, Nelson Munyiri - Founder Mukuru Youth Initiative and Visual Artist Peterson Kamwathi.

Partnerships & Linkages

The Nairobi Forum successfully engaged into an MoU with Public Space Network (PSN). PSN is an organisation that advocates for the preservation of public spaces. They have fostered strong community relations with various Community Based Organizations that are maintaining spaces all over Nairobi and specifically within low-income areas such as Kibera, Dandora, Korogocho and Kayole.



The Nairobi Forum was able to participate in their Changing Faces Competition at the recently renovate Michuki Park that was attended by both Director-General of Nairobi Metropolitan Service Maj-Gen Mohammed Badi and Ms. Maimunah Mohd Sharif, Executive Director of the United Nations Human Settlements Programme (UN-Habitat) and their Public Space Design Workshop held at Four Points Sheraton-sponsored by Dreamtown Organization.

TNF and PSN signed an MoU at the KEPSA offices where the two organizations agreed to partner in championing for the preservation and maintenance of public spaces within Nairobi's also to be the official public space advocacy partner of TNF. Emma Miloyo, TNF Convener and Robinson Esialimba, Founder PSN represented both organisation in spearheading public space preservation efforts all over the city.

Nairobi Forum Strategy Session

The Nairobi Forum noted that there was need for a strategical approach to transform the Nairobi landscape as mandated. WYLDE International, a KEPSA member, offered to help the team structure their identity, opportunities and key activities. The three strategy sessions formulated a strategy document that was presented at the last Nairobi Forum annual meeting of the year to assist in the 2022 Annual Plan.



Women Leadership Exchange Program

The Nairobi Forum under KEPSA Foundation in partnership Women Lead hosted a women leadership exchange event in commemoration of the International Women's Day on Friday, 18th March, 2022.

The event brought together corporate and grassroots women leaders to engage & learn from each other under the theme Breaking the Bias. It allowed women to share leadership experiences and learnings with one another, to discover biases creating separation and gain insights on how Nairobi can be strengthened through stronger bond among women.

Police Station Improvement Program: Security

The Police Station Improvement Program (POSIP) is a national program under the Foundation that touches on business; community security; police welfare; and creating an environment that is conducive for people to work in. The idea initially started in January 2016 as Kilimani Police Station Redevelopment program, a capital-intensive project, which was specifically focused on the Kilimani area. This created interest with the government and as a result, in September 2020, the National Police Service invited KEPSA to partner in a Public Private Partnership that involves a Police Station Improvement Program across the Country. The Programme, that is currently in the initial stages has:

- ▶ Put in place the POSIP National steering committee that shall support, coordinate and mainstream the program as part of a National program partnering with the National Police service.
- ▶ Identified the strategic focus based on three pillars
 - i) Physical Infrastructure i.e. ensuring that the work and living environment for police officers is secure, clean, decent and well maintained
 - ii. Police Social welfare
 - iii. Community Policing and security
- ▶ Developed sub-committees based on the pillars and Terms of Reference's to facilitate implementation of the project
- ▶ Identification of 6 pilot police stations to work with. These include Killimani Police station, Karen Police station, Muthaiga police station, Dandora police station, and Buruburu police station

Natural Resource Forum (NAREF)– Environment

Since October 2019 KEPSA Foundation has been engaging the umbrella bodies and stakeholders from the natural resources related sub-sectors to establish an umbrella body, bringing together all the sub-sectors under the natural capital. The consultative process recognizes the sector's contribution to Kenya's economy and its role in job creation. The stakeholders, through various meetings, approved the process to address the need for a unified advocacy organization to champion the interests of the entire ecosystem of sectors and also partner with the Government towards sustainable economic development and wealth creation from natural resources.

Achievements:

- ▶ Registration Status & Legal documentation - NAREF was legally registered on 1st July 2021 as a Company limited by guarantee and incorporated under the Companies Act, 2015. Model Articles of Association were developed and validated on 21 July 2021 and are set to be adopted by the newly constituted Board in 2022.
- ▶ Governance Structure in place - NAREF steering committee appointed 21 board of directors' members who had their first meeting at Muthaiga country club on 29th November 2021. 11 Natural Capital Sub-sector working groups led by members of the Board have been set up to tackle sector specific issues and ensure representation. A secretariat is currently in place composed of two officers; a Coordinator and programs officer who are involved in formative processes, administration, partnerships creation and resource mobilization.
- ▶ Launch of NAREF – NAREF was virtually launched on 23rd June, 2021 where by all the stakeholders were invited.
- ▶ Operationalization of the Forum - Guidelines and policies were drafted and presented to the steering committee members in July 2021. Currently, the board is in the process of reviewing the guidelines and policies for adoption. A team of consultants was engaged to develop a Strategic plan that will guide the operations of NAREF. It will also outline the membership structure and benefits for each category.
- ▶ Communication & Branding – NAREF is fully branded complete with a logo, website and social media platforms
- ▶ Resource Mobilization - Dedicated resource mobilization committee set up and conversations ongoing with multiple donors. Outreach to WWF and The Nature Trust Conservancy resulted in an agreement to collaborate with NAREF moving forward. Proposals pitched so far to 5 development partners
- ▶ Program Activities Report - Presented NAREF capabilities on "Entrepreneurship and business approaches in restoration" at the Regreening Africa Conference; and at the request of EAWLS, NAREF mobilized members to deliver expert advice to KENHA on the ecological impacts of the proposed Nairobi-Nakuru-Mau Summit Highway expansion.

02 THE KNOWLEDGE PILLAR



Sustainable Inclusive Business - Kenya

Sustainable Inclusive Business – Kenya project (SIB-K) has been active and implemented by the Kenya Private Sector Alliance (KEPSA) with financial support from the Embassy of the Kingdom of the Netherlands (EKN) since 2015. The project aims to support the private sector in embracing sustainable business practices with two outcome areas:

- a. To increase awareness on knowledge and facilitate social dialogue on the importance and opportunities of Corporate Social Responsibility (CSR) sustainability and inclusiveness amongst Small & Medium Enterprises (SMEs) and Corporates.*
- b. Expand and strengthen the application of sustainable, inclusive business principles, strategies, and practices within businesses and organizations (small, medium, and large).*

The project is drawn from the need to champion businesses to drive the sustainability agenda noting that the private sector is the biggest driving force behind the country's economy. As a contributor to employment opportunities in the country and the Gross Domestic Product (GDP), the sector significantly influences the environment and people. The private sector's contribution toward achieving Sustainable Development Goals (SDGs) is evident in most countries hence the need to track and support initiatives that champion the global agenda to end poverty, protect the planet, and ensure that by 2030 all people enjoy peace and prosperity. One of the project's successes was the ability to transition from a project to a program with the mobilization of

resources to implement several projects. The ambition is to transition to a knowledge centre supporting the sustainability pillar as anchored under the National Business Agenda.

SIB-K continues to curate knowledge emanating from studies carried out within the four thematic areas: Circular Economy, Climate Change, People Power, and Redefining Business Values. SIB-K drafted a policy brief to dissect the Environmental Management and Coordination (Extended Producer Responsibility) Regulations 2021, leveraging KEPSA's role in advocacy through the Environment Sector Board that set up the circular economy sub-sector. The aim here was to increase awareness of the regulations and ensure the private sector is alive to the polluter pays principle and its implementation. The feature sought to trigger the adoption of sustainable business practices amongst sector peers and cross-sector learning. 7 trailblazer videos were documented highlighting sustainable business practices, as well as a SIB-K annual magazine was developed. The program conducted a quick survey on the challenges and opportunities in the transition towards circularity for the country. Policy analysis revealed that Kenya is on the right track. Nonetheless, some of the business opportunities that exist need to be taken advantage of.

In addition, the program assessed the current status of the circular economy in the waste sector in Zimbabwe, Zambia, and Malawi. The assessment sought 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. SIB-K reviewed the current trends regarding policy development and initiatives inclined to support the country to shift toward becoming a circular economy. The engagement of sector actors presented an opportunity to deliberate on the priority waste streams. An in-depth analysis of the waste sector sought to identify challenges in the waste management value chain and identify investment opportunities in the sector. The project anticipates that 30% of the population in the three countries will benefit from reduced health concerns due to incorrect disposal of plastics, water drainages blockage leading to water-borne diseases, burning of plastics leading to respiratory illnesses, and microplastics in food). The proposals within the waste specific roadmap is anticipated to contribute to the mobilization of resources through the adoption and full implementation of the EPR Scheme,

SIB-K established the Kenya Plastics Pact, a multi-stakeholder forum that envisions bringing together businesses, government, research institutions, citizens, and civil society from across the plastics value chain to join forces on a platform for collaboration concerted action toward a circular economy for plastics in Kenya. All stakeholders involved sign up for a joint set of ambitious and time-bound targets, ensuring that this collaboration will drive significant change by 2030. The Kenya Plastics Pact will enable these big leaps by having all relevant organizations in the country work towards a shared vision for a circular economy for plastic. Two working groups were established. The choice to start with these initial two was based on the necessity for members to grasp the workings of a working group and be able to fully participate, as well as the need for members to increase their time commitment when further WGs are formed gradually.

- ▶ Working Group 1: Defining a list of problematic or unnecessary plastic items.
- ▶ Working Group 2: Design for Recyclability.

SIB-K works across 4 themes that cut across its work, including being mainstreamed in project implementation, consultancies, and stakeholder engagement.

Below is the Impact of SIB-K within the reporting period

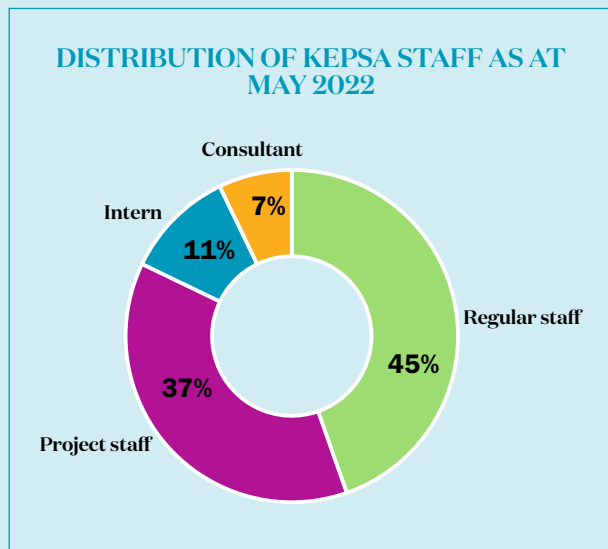
THEMES	IMPACT
Circular Economy	<ul style="list-style-type: none"> ▶ 10,792 people were reached via SIB-K website to increase awareness of sustainable business practices. ▶ 32 TV and Radio appearances, 24 Newspaper articles were published, which amounts to a reach an increased awareness of 192,000 people on the circular economy principles. ▶ 104 women and youth were trained on sustainable waste management and financial literacy through the COAST Project funded by the French Embassy. ▶ The annual conference sought to sensitize businesses on the EPR Regulations as well as the need to tackle plastic waste through the Kenya Plastics Pact and the contribution of the citizens in managing waste sustainably. A reach of 3,660,000 was achieved during the 2.5hrs live coverage on KTN TV. ▶ 143 were households trained on separation of waste at source by engaging youth groups in the low-income areas through the COAST II Project.

THEMES	IMPACT
<p>Climate Change</p>	<ul style="list-style-type: none"> ▶ In collaboration with TNO, SIB-K developed four waste-specific roadmaps (Zimbabwe, Zambia, Malawi, and Kenya) to support the countries to transition from a linear to a circular economy. The proposals were an outcome of a study on the status quo of circularity in waste management, this included proposed pilot projects on the valorization of waste for the priorities waste streams (Large Household Appliances, Plastics, and Organic Waste). ▶ The SIB-K team provided input to the Ministry of Environment and Forestry in supporting the review of the Environmental Management and Coordination (Extended Producer Responsibility) Regulations 2021. The team was also part of the Technical Working group established by the Ministry of Water, Sanitation, and Irrigation and the Ministry of Environment and Forestry to assess the status of adoption circularity in managing wastewater. These interventions support the transition towards a circular economy with the review of policy and regulations.
<p>Redefining Business Values</p>	<ul style="list-style-type: none"> ▶ A reach of 1,416,500 was achieved through the social media platforms in sensitizing businesses on the adoption of the circular economy approach and its contribution to meeting the SDGs. This was made possible through the Trailblazer campaign (documented best practices from the private sector). ▶ 10 businesses were highlighted in the annual magazine to trigger cross-sector learning on sustainable business practices. ▶ 58 businesses engaged with the aim to create an impact on their strategy with a focus on incorporating sustainably as part of their strategic ambition.
<p>People Power</p>	<ul style="list-style-type: none"> ▶ 104 youth trained on entrepreneurship, financial literacy, circular economy model, and the development of a business plan using the business canvas model ▶ SIB-K implemented 8 consultancies (Kenya Plastics Pact; CTCN in Kenya, Zimbabwe, Zambia & Malawi; RVO Circular Economy Trend Report; E.U. Green Deal Conference; IUCN, COAST Project, Flipflop and CTCN-Kenya) were executed against a set target of 3. The consultancies varied from research in the waste sector, facilitation of the green deal conference, solutions for waste management working with the community, drafting of best practices, and establishing a multi-stakeholder platform. ▶ 58 businesses were reached during the establishment of a multi-stakeholder platform (The Kenya Plastics Pact) that leverages partnerships and knowledge to reduce the disposal of plastics to the environment.

Human Resources & Administration

KEPSA Staffing

As at May 2022, the total number of staff members were 56. This number is divided into different categories as show below;



Recruitment and selection

From May 2021, 18 employees have been recruited based on identified gaps and expanded role to ensure they contribute to the overall success of the organization.

Training & Development



We are committed to training and development programs to create opportunities and growth of employees, increase productivity and be better leaders. So far, 52% of employees have been able to attend short courses within the year in line with their career development plans as captured in the 2022-2023 staff Training and Development program.

Team Building

We continue with team building activities which are designed to bring out the best in our employees at different levels to improve productivity. KEPSA employees had an opportunity to come together for a team building exercise on December 10, 2021.



Employee Mental Well-being & Support Programs

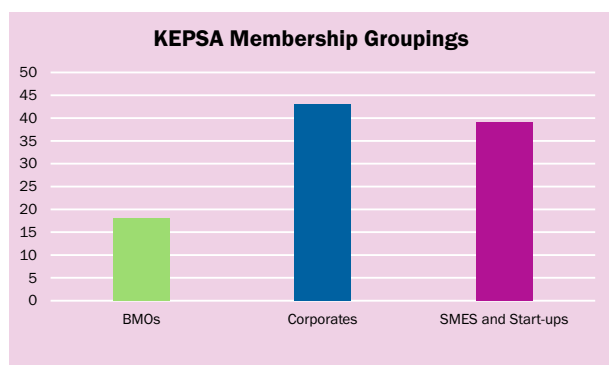
We recognize the impact employee wellbeing can have on health as well as workplace performance and productivity, and work with different partners to develop programs to address mental health alongside other aspects of wellbeing. Some of the sessions held include; Mental health (Demystifying mental health), Grief, Loss and Bereavement, stress management education among others. We have also flexible working hours and remote working arrangements where appropriate.

Employees Check-in Meetings

We hold monthly check-in meetings for managers to connect with their team members, identify potential issues early, and adapt to changes or updates accordingly.

Membership Development

KEPSA Total Membership Grouping



New Members

70 members joined in the year in the following categories;

MEMBERSHIP CATEGORY	NO. OF MEMBERS
<i>Business Associations</i>	3
<i>Platinum</i>	3
<i>Diamond</i>	3
<i>Gold</i>	4
<i>Silver</i>	14
<i>SME</i>	19
<i>Startups</i>	23
TOTAL	70

Member Activities

New Members Inductions:

One induction was conducted virtually on 26th August 2021. Participating members were introduced to the KEPSA structure in order to assist them identify areas of engagement and partnership.

One-on-one inductions are conducted for individual members upon request

Support to Private Sector COVID-19 Vaccine Initiative



Media briefing at the launch of the J&J Vaccination roll-out under the Private Sector COVID-19 Vaccination Initiative at KEPSA offices



Vaccination exercise at Koko Networks

Launched in partnership with the Government (MoH) to offer private sector support in expediting the vaccine roll-out to as many people as possible in the shortest time possible in order to get the country to herd immunity quickly to be able to fully reopen the economy. 278 companies participated in the initiative by purchasing vaccines for their staff and communities around them. The vaccine roll-out commenced in September 2021 and was administered in the 47 counties across the country. The whole process was led by Dalberg, a KEPSA platinum member.

KEPSA launched the vaccination roll-out on 15th September, 2021 and offered its premises as a vaccination centre for 16 companies. The launch was graced by Dr. Mercy Mwangangi, Health Chief Administrative Secretary.

Safaricom Simcard Registration Exercise



Following the requirement for subscribers to validate their sim card details, KEPSA organized for Safaricom to conduct the exercise at its premises on Thursday, 14th April 2022.

EABC Kenya Chapter Meeting



Coordinated hosting of a meeting for the EABC Kenya Chapter members to nominate country representatives to join the EABC Executive Committee. The 4 nominees, drawn from Kenya Private Sector Alliance, Kenya Association of Manufacturers, Coca Cola East & Central Africa and Brookside Dairy Limited, will be confirmed at the next EABC Annual General Meeting.



Know your customer initiative

Launched an initiative to have one-on-one meetings with members to understand their operations and how KEPSA can serve them better. Meetings with the following have taken place and the resolutions of the meetings are being implemented.

- Unilever Kenya limited
- Agence Ushauri
- DHL Kenya Limited
- Deloitte Limited
- Astral Aviation
- Kenya Association of Manufacturers
- Madison Group

Support to New Associations

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.



Support to Members

The following members' activities were publicized by sharing of information through the various KEPSA communication platforms to ensure good participation.

DATE	MEMBER	DETAILS OF ACTIVITIES
26.05.2021	British Chamber of Commerce Kenya RSM Eastern Africa LLP	Common Reporting Standards (CRS) and other anti-avoidance procedures on individuals and businesses in Kenya
22.07.2021	African Management Institute (AMI)	Networking session on leveraging business communities for business growth
10.08.2021	British Chamber of Commerce Kenya	Conversation with Michael Holding, famous Jamaican cricket commentator
18-20.08.2021	Leadwood Energy	IHRDC Fundamentals of the oil markets and trading workshop
20.08.2021	Geothermal Association of Kenya	Stakeholder Forum on the use of coiled tubing in Geothermal development
15.09.2021	Kenya Bankers Association	Kenya Bankers Association's Customer Satisfaction Survey
24.09.2021	Business Ireland Kenya	Meeting on opportunities for recovery and reinvention with perspectives from Kenya, Ireland
13.10.2021	Oracle Corporation	Data Transformation – unlocking the power of your information
26.10.2021	French Chamber of Commerce Kenya Boston Consulting Group	M&A trends and opportunities in East Africa
02.02.2022	French Chamber of Commerce Kenya CITI Bank	Webinar on sharing the insights on Kenya's current economic situation as well as the forecast for 2022 considering the upcoming general elections.
24.02.2022	Africa Health Business	7 th Africa Health Business Symposium (AHBs VII) on the role of the private sector in advancing women's health in Africa
31.03.2022	Nairobi Securities Exchange (NSE) in partnership with the Global Reporting Initiative (GRI)	NSE ESG Disclosures & Sustainability Integration Workshop – capacity building
27-29.04.2022	The Chartered Institute of Arbitrators-Kenya	International Conference on: Innovations & Disruptions; ADR Today & Tomorrow
26.05.2022	British Chamber of Commerce Kenya (BCKK) RSM	webinar on Common Reporting Standards (CRS) and other Anti-Avoidance Procedures in Kenya.

Support to Business Membership Organizations (BMOs)

The Alternative Accommodation Network

KEPSA is assisting in the formation of Short-Term Rentals and Alternative Accommodation Association of Kenya (STRAAAK) which is made up of short- and long-term hosts. The key objective of the association is to engage with the Tourism Regulatory Authority (TRA) to assist members comply with tax regulations.

International Chamber of Commerce – Kenya (ICC Kenya)



KEPSA continues to host ICC Kenya, which is the local chapter of the Paris-based International Chamber of Commerce (The ICC). The ICC is the world's largest business organization representing 45 million companies from all sectors and sizes in over 130 countries. It is the only business organization with UN observer status.

The ICC works towards promoting international trade, responsible business conduct and a global approach to regulation.

Activities

- ▶ The 1st Annual General meeting was held virtually on Friday, 19th November 2021. Members resolved to:
 - ▶ Expand the current board from 4 to 7 members.
 - ▶ Extend the term of current directors for two years (2021-2023) with Mr. Patrick Obath (representing KEPSA) continuing as the chair.

The two established commissions (Arbitration & ADR and Banking) were launched.

▶ Commissions Established

The ICC has organized its work into 11 commissions which are similar to KEPSA Sector Boards. In an effort to replicate that structure, ICC Kenya established the following two commissions which were launched at the Annual General Meeting:

Arbitration and ADR Commission – Formation of this commission was championed by a six-member steering committee drawn from current members led by the Chartered Institute of Arbitrators. Through this commission members have been engaging in formulation of policies and accessing the services of the International Chamber of Commerce Court of Arbitration.

The Commission nominated two young members to participate in the "ICC Hold the Door Open Initiative". The duo will have an opportunity to sit as observers during an actual arbitration case to learn and enhance their arbitral experience.

Banking Commission – Formation was championed by a five-member steering committee led by the Kenya Bankers Association. Members are now participating in rule-making processes for the banking and finance sector to come up with universally acceptable rules and guidelines for international banking practice. Members now have the opportunity to serve in different organs of the commission and access training programs at discounted rates.

- ▶ **Global Alliance for Trade Facilitation (GATF)** – ICC Kenya continues to support the work of GATF by hosting the consultant overseeing their activities in the East African region.

GATF is a public private partnership dedicated to international trade. GATF supports governments in developing and least developed countries in implementing the World Trade Organization's (WTO) Trade Facilitation Agreement (TFA). GATF's projects cut through red tape and end costly delays at borders by bringing together governments and businesses of all sizes as equal partners to deliver targeted trade reforms.

GATF is led by the Center for International Private Enterprise (CIPE), the International Chamber of Commerce (The ICC) and the World Economic Forum (WEF) in cooperation with Gesellschaft für Internationale Zusammenarbeit (GIZ). It is funded by the governments of the United States, Canada, Germany and Denmark.

Impact of GATF's work in Kenya includes:

- ▶ Active participation of the private sector within the National Trade Facilitation Committees (NTFCs) to enhance Public-Private participation in the Committee.
- ▶ Enhanced reflection and adoption of private sector input in Trade Facilitation Agreement (TFA) implementation.
- ▶ Enhanced monitoring of the World Trade Organization (WTO) Trade Facilitation Agreement Implementation by the key stakeholders.
- ▶ Modification of Technical Working Group 4 (TWG4), into a private sector led TWG to serve an oversight role through monitoring and verification of the implementation of measures vis-a-vis the actual situation on the ground as experienced by businesses.
- ▶ Progress in the inclusion of women in trade facilitation reforms.

Events/Trainings

Under the newly established Banking Commission conducted the following training:

- ▶ 15th July 2021 – Virtual training on Incoterms 2020 attended by 42 participants drawn from the banking, transport & logistics and exporters of hort/floriculture products sectors. Incoterms is an acronym for international commercial terms which are crucial for international trade transactions.
- ▶ In partnership with the International Court of Arbitration, hosted the following events.

25th June 2021 – Virtual open dialogue for young arbitrators with the ICC Court of Arbitration whose objective was to help them understand the process for being nominated as an arbitrator. The session was led by the Director, Arbitration and ADR for Africa.

16th September 2021 – Hybrid High level breakfast meeting between the leadership of the International Court of Arbitration (Paris) and private sector leaders, including the KEPSA Chair, to sensitise Kenya's private sector on Alternative Dispute Resolutions, opportunities and possibilities.

16th September 2021 – ICC Kenya Arbitration Day on the theme: ADR In Kenya - Alternatives and Opportunities for Dispute Resolution. The key speakers included The Chairman of the Chartered Institute of Arbitrators, Dr. Willy Mutubwa, Hon. Mr. Justice Alnashir Visram (Rtd) EBS and Prof. Githu Muigai EGH, SC, former Attorney General of the Republic of Kenya.



ICC Kenya leaders, steering committee, management and guests during the ICC Kenya Arbitration Day. Seated from Right; Eng. Patrick Obath, Chairman ICC Kenya, Dr. Willy Mutubwa, Chairman Chartered Institute of Arbitrators Kenya, Mr. Samuel Nderitu, Director ICC Kenya, Hon. Mr. Justice Visram EBS, Ms. Ndanga Kamau, Vice President ICC Court of Arbitration, Prof. Githu Muigai, EGH, SC.

17th September 2021 – Hybrid Arbitral Secretaries Training attended by 38 participants from Nigeria, Senegal, France, Mali, Rwanda and Kenya. This training provided an understanding of the administrative duties of Arbitral Secretaries in Arbitral Reference



Arbitral Secretaries trainers and trainees.

25th March 2022 - ICC's Young Arbitrators Forum (YAF) Africa Chapter (ICCYAF) held an interactive discussion on the 1958 New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards and insights on its application in Kenya, Nigeria and Ethiopia.



The ICC Banking Conference held on 20th May 2022.

PR & Communications

The KEPSA Communication department has continued to work with all other KEPSA departments, programs and projects to ensure that the objectives of the organisation are met, through the implementation of a strategic communication plan. For the last 12 months, the department has been committed to ensuring effective and efficient communication to KEPSA members through various mechanisms. These include:

- ▶ Daily Media Watch,
- ▶ Weekly KEPSA news Bulletin,
- ▶ WhatsApp messaging,
- ▶ Email messaging and
- ▶ Social media engagements (Facebook, Twitter, Linked in & YouTube).

Executive visibility programme:



The department remained committed to communicating to our stakeholders by providing thought leadership through the executive visibility programme. Through this initiative which focuses on highlighting where KEPSA leaders are featured in the media, either earned or paid, we managed to secure opportunities on national media outlets and were able to advance our agenda, especially in this year's areas of focus.

Media Engagement:



Through the Communication Department, KEPSA has been engaging the media in different activities to ensure favourable coverage in all the local newspapers, online publications, radio and TV stations. Between May 2021 to May 2022, we disseminated a total of 31 press releases. Out of the media engagement, the KEPSA brand was covered 89 times on Television, 107 mentions on Radio and 232 publications in newspaper / online spaces.

Social media:

The department has been keen on advancing the KEPSA brand through social media engagements. Currently, KEPSA has a presence in all leading social media platforms including Facebook, Twitter, Linked in and YouTube. The KEPSA brand continues to gain traction on various social platforms. Below is a highlight of our social media numbers in summary:

- ▶ **Twitter:** @KEPSA_KENYA – The handle remains the most vibrant and engaging platform with over 2 million impressions in the past year. Currently, the page has over 49,000 followers.
- ▶ **Facebook:** @KenyaPrivateSectorAlliance – In the past 12 months, the page had a reach of over 84,000 people and has now attracted over 11,000 likes in total.
- ▶ **Linked In:** Kenya Private Sector Alliance (KEPSA) - The page grew tremendously attracting 4,495 new followers and over 164,000 impressions in the past year.
- ▶ **YouTube:** Kenya Private Sector Alliance (KEPSA) – The channel has a total of 947 subscribers.

KEPSA Website

Based on the need to improve the KEPSA website user experience and create a more dynamic platform that will also host an 'information bank' for the organization, the Communication department with support from the Ajira Digital team embarked on a project to develop a new website for the organization. The new platform, once complete, will have unique features including an online membership registration mechanism and KEPSA members login portal.

Financial Statements

FOR THE YEAR ENDED
31ST DECEMBER

2021

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Company Information

Directors

Florence Wanjiru Wahome-Chairperson

Appointed on 27 May 2021

Jaswinder Singh Bedi

Catherine Musakali

Graham Neil Akeroyo Shaw

Michael Macharia Muthundu

Allen Waiyaki Gichuhi

Elizabeth Wala Amakove

Nicholas Alexander Nesbit

Eva Wanjiku Muraya

Stephen Waithaka Gitagama

Appointed on 27 May 2021

James Njoroge Mwangi

Appointed on 27 May 2021

Bimal Rajnikant Kantaria

Appointed on 27 May 2021

John Mburu Gachora

Appointed on 27 May 2021

David Mucai Kunyihia

Appointed on 27 May 2021

Darren John Gillen*

Appointed on 27 May 2021

Chen Ming Yue**

Appointed on 27 May 2021

Rita Kavashe

Retired on 27 May 2021

Jeremy Edward Hannington Awori

Retired on 27 May 2021

Brenda Mbathi

Retired on 27 May 2021

Sachen Laxmikant Gudka*

Retired on 27 May 2021

Patricia E. Mwarania Ithau

Retired on 27 May 2021

Francis Muli Munywoki

Retired on 27 May 2021

Sun Mengxin**

Retired on 27 May 2021

*BRITISH, **CHINESE

Company Secretary

Maonga Ndonge Associates

Certified Public Secretaries

3rd Floor, Jadala Place

Ngong Road

PO Box 7324 - 00200

Nairobi, Kenya

Independent 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

Principal Place of Business

LR No. 209/8592/1

5th Floor, Shelter Afrique Building

Mamlaka Road

PO Box 3556 - 00100

Nairobi, Kenya

Principal 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 2021, which disclose the state of affairs of Kenya Private Sector Alliance Limited (the "Company" or "KEPSA").

About KEPSA

The Company is the apex body of the private sector in Kenya. KEPSA brings together local and foreign business associations, chambers of commerce, professional bodies, corporates, multinational companies, start-ups, Small and Medium Enterprises (SMEs) from all sectors of the economy in the country, representing over 1 million businesses under one umbrella, to enable them to speak in one voice when engaging the Government, development partners and other stakeholders on cross-cutting policy issues affecting private sector development.

It also implements programs that ensure the growth of businesses and the social-economic development of the country. The Company supports businesses with opportunities for training, networking, financial linkages, mentorships & coaching, access to markets, value chains and investment opportunities while working closely with many partners from across the world.

The Company serves as a federation of over 80 Associations and professional bodies and serves as the focal point of the East Africa Business Council (EABC) which is the apex body of businesses in East Africa.

Business review

During the year, the company's activities were guided by five key strategic focus areas that were identified at the beginning of the year focused on building back better in the new world order after the Coronavirus (Covid-19) pandemic. These pillars are:

i)Public Private Dialogue (PPD): Focused on ensuring Kenya remains competitive and improve the ease of doing business for sustainable and inclusive economic growth.ii)Business Hub: Focused on SMEs growth and resilience by addressing the challenges of finances, training, markets, regulatory environment and business linkages; as well as Economic Diplomacy, that is building global networks with like-minded organizations to enhance investments and trade.iii)Sustainability: focused on Sustainable Development Goals (SDGs), Green Economy, Blue Economy and Climate Change.iv)Social pillar: focused on employment creation for youth and women through enterprise development, social inclusivity and gender mainstreaming.v)Governance pillar focused on Corporate Governance, National Leadership, and anti-Corruption.

The company's income comprises membership subscriptions, projects and public private dialogue (PPD) funds, administrative fees earned from project funds and other income such as bank interest and sponsorships. The year 2021 has exhibited good financial performance for KEPSA despite the ongoing COVID-19 pandemic that has impacted businesses and the Kenyan economy. Membership subscriptions were at par to the previous year. The PPD and Projects funds 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 the Ajira Digital project that was in its 2nd year of implementation. Both of these had burn rates that were much higher than in the previous year, given the economy's return to near normal in 2021 as it recovered from the COVID -19 pandemic that first hit the world in the year 2020.

The more than doubling of Projects fund revenues is partly as a result of the very well responded to Private sector led vaccine initiative that KEPSA spearheaded in 2021, to complement the Government's effort to vaccinate the citizenry. Nearly 300 private sector companies contributed over 2.3M US Dollars that is recognised as revenue under the projects fund. In partnership with Kenya Healthcare Federation (KHF) and Ministry of Health (MoH), the government purchased additional vaccines from the contributions to this initiative.

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 2021 were marginally above 2020 as staff worked more from the office once they took on vaccination for the coronavirus. With the reopening of the economy as recovery continued to be made even with the ongoing COVID-19 pandemic, physical engagements for ongoing projects resumed that resulted in a higher burn rate thus the increase in direct project costs. These are however fully funded and supported by project revenues as will be noted, projects revenues are equal to project expenses of 568 Million KES. Projects expenses are much higher than 2020 as they include over 200 Million KES which was wired out to the National treasury for the purchase of vaccines from funds that had been raised for the Private sector led vaccine initiative.

Report of the Directors

Our PPD work also progressed well in 2021, with some hybrid and online engagements as well as some physical meetings once the Ministry of Health guidelines allowed the resumption of face to face meetings. This resulted in increased PPD expenses due to the higher costs of physical meetings, some of these expenses though, are supported under the PPD program "Integrating Public-Private Sector Dialogue (PPD) for Trade and Investment in Kenya" supported by one of KEPSA's funding partners.

Statement as to disclosure to the company's auditors

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

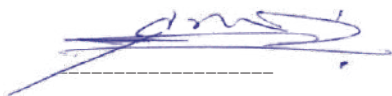
- (a) there was, as far as each director is aware, no relevant audit information of which the Company's auditor is unaware; and
- (b) each director had taken all steps that ought to have been taken as a director so as to be aware of any relevant audit information and to establish that the Company's auditor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

Terms of appointment of auditor

PricewaterhouseCoopers LLP 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

16 May 2021

Statement of Directors' Responsibilities

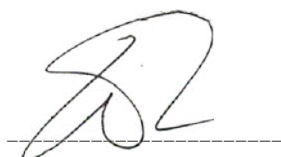
The directors are required to prepare financial statements for each financial year which give a true and fair view of the financial position of the Company as at the end of the financial year and its financial performance for the year then ended. The directors are responsible for ensuring that the Company 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

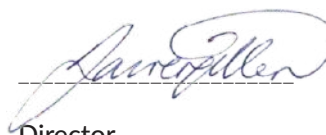
Having made an assessment of the Company's ability to continue as a going concern, the directors are not aware of any material uncertainties related to events or conditions that may cast doubt upon the Company's ability to continue as a going concern.

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 16 May 2022 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 90 - 111 which comprise the statement of financial position at 31 December 2021 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 2021, 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 84 -85 is consistent with the financial statements.



CPA Bernice Kimacia, Practising certificate No. 1457

Engagement partner responsible for the independent audit

For and on behalf of Pricewaterhousecoopers LLP

Certified Public Accountants

Nairobi

17 May 2022


Statement of profit or loss & other comprehensive income


	Notes	General fund		Public Private Dialogue and projects fund		Total	
		2021 Shs'000	2020 Shs'000	2021 Shs'000	2020 Shs'000	2021 Shs'000	2020 Shs'000
Public Private Dialogue and Project funds	5	169,715	95,867	568,066	160,441	737,781	256,308
Amortization met through capital grants	12	2,632	1,475	-	-	2,632	1,475
Membership subscriptions	6	74,611	74,625	-	-	74,611	74,625
Other income	7	12,250	14,443	-	-	12,250	14,443
Total income		259,208	186,410	568,066	160,441	827,274	346,851
Administrative expenses	9	(110,835)	(100,535)	(72,465)	(53,809)	(183,300)	(154,344)
Establishment expenses	10	(11,078)	(10,993)	(2,318)	(5,148)	(13,396)	(16,141)
Public Private Dialogue and Project costs	11	(78,680)	(25,740)	(493,283)	(101,484)	(571,963)	(127,224)
Finance cost	8	(1,547)	(2,584)	-	-	(1,547)	(2,584)
Total expenses		(202,140)	(139,852)	(568,066)	(160,441)	(770,206)	(300,293)
Surplus for the year		57,068	46,558	-	-	57,068	46,558
Corporate tax on interest income	13	(730)	(311)	-	-	(730)	(311)
Total comprehensive income		56,338	46,247	-	-	56,338	46,247

Statement of Financial Position

	Note	2021 Shs'000	2020 Shs'000
FUND BALANCES			
General fund		52,373	(3,965)
Non-current liabilities			
Capital grant	12	5,618	5,895
Lease liability	21	-	7,875
		57,991	9,805
REPRESENTED BY			
Non-current assets			
Property and equipment	14	6,671	6,723
Right of use asset	17	6,785	13,570
Intangible asset	15	109	127
		13,565	20,420
Current assets			
Trade and other receivables	16	6,209	2,924
Short-term investments	19	541,022	301,268
Cash at bank and in hand	18	45,539	70,342
		592,770	374,534
Current liabilities			
Trade and other payables	20	36,993	29,415
Current income tax	13	1,041	311
Deferred income	5	501,315	346,953
Lease liability	21	8,995	8,470
		548,344	385,149
Net current assets		44,426	(10,615)
		57,991	9,805

The financial statements on pages 90 to 111 were approved for issue by the Board of Directors of Kenya Private Sector Alliance Limited on 16 May 2022 and signed on its behalf by:


Director


Director

Statement of Changes in Fund Balances

	General fund Shs'000
At 1st January 2020	(50,212)
Deficit for the year	46,247
At 31st December 2020	(3,965)
At 1st January 2021	(3,965)
Surplus for the year	56,338
At 31st December 2021	52,373

Statement of Cash Flows

	Notes	2021 KSh'000	2020 KSh'000
Surplus/(deficit) for the year before tax		57,068	46,558
Adjustments for:			
Depreciation of property and equipment	14	2,879	1,900
Amortization of intangible assets	15	18	67
Amortization of Right-of-use asset	17	6,785	6,660
Interest income	7	(2,435)	(1,242)
Capital grant amortization	12	(2,632)	(1,475)
Assets write-off- intangible assets		75	-
Interest Expense on Lease		1,547	2,584
Changes in operating assets and liabilities:			
-Trade and other receivables		(4,327)	773
-Trade and other payables		8,620	5,068
-Deferred revenue		154,362	312,506
Cash generated from/ (used in) operations		221,885	373,474
Interest received	7	2,435	1,242
Net cash generated from operating activities		224,321	374,716
Cash flows from investing activities			
Additions of property and equipment	14	(2,827)	(4,882)
Net cash utilized in investing activities		(2,827)	(4,882)
Cash flows from financing activities			
Capital grants received	12	2,355	4,723
Lease repayments	21	(8,897)	(7,468)
Net cash generated from financing activities		(6,542)	(2,745)
Net increase/(decrease) in cash and cash equivalents		214,951	367,089
Cash and cash equivalents at start of year		371,610	4,521
Cash and cash equivalents at end of year	18	586,561	371,610

Notes

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).

Under the historical cost basis, assets are recorded at the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire them at the time of their acquisition. Liabilities are recorded at the amount of proceeds received in exchange for the obligation or, in some cases, at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.

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.

b) Changes in accounting policy and disclosures

i) *New standards, amendments and interpretations adopted*

Amendment to IAS 1 'Presentation of Financial Statements' on Classification of Liabilities as Current or Non-current Annual periods beginning on or after 1 January 2022 (Published Jan 2020). The amendment clarifies that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant).

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

IFRS 16, 'Leases' COVID-19-Related Rent Concessions Amendment

Annual periods beginning on or after 1 June 2020 (early adoption is permitted) (Published June 2020)

The IASB has provided lessees (but not lessors) with relief in the form of an optional exemption from assessing whether a rent concession related to COVID-19 is a lease modification, provided that the concession meets certain conditions. Lessees can elect to account for qualifying 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 a variable lease payment

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

Notes

2 Summary of significant accounting policies (continued)

b) Changes in accounting policy and disclosures

ii) *New standards, amendments and interpretations not yet adopted*

Other accounting standards and interpretations have been published that are not mandatory for 31 December 2021 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 organization in the current or future reporting periods and on foreseeable future transactions.

c) 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.

(d) 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 receivables 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.

Notes

2 Summary of significant accounting policies (continued)

e) 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.

f) 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.

g) 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.

(h) 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.

Notes

2 Summary of significant accounting policies (continued)

i) 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.

j) 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.

Notes

2 Summary of significant accounting policies (continued)

j) Financial instruments

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

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.

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.

Notes

2 Summary of significant accounting policies (continued)

j) Financial instruments (continued)

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.

k) Cash and cash equivalents

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

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.

Notes

4 Financial risk management objectives and policies (continued)

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.

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:

	2021 Shs '000	2020 Shs '000
Short term investments	541,022	301,268
Cash at bank	45,539	70,342
Trade receivables	989	626
Other receivables	3,753	-
	<u>591,303</u>	<u>372,236</u>

Notes

4 Financial risk management objectives and policies (continued)

i) Credit risk (continued)

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

2021

	Gross balance Shs '000	Impairment provision Shs '000	Net balance Shs '000
Current	-	-	-
Past due 0 – 30 days	505	-	505
Past due 31 – 90 days	1,089	605	484
	1,594	605	989

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

Cash in bank and short-term investments

As at 31 December 2021, 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

Notes

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 2021 and 31 December 2020:

	Up to 12 months	Over 1 year	Total
	Shs '000	Shs '000	Shs '000
2021			
Trade and other payables	36,993	-	36,993
Lease liability	9,341	-	9,341
	46,334	-	46,334
2020			
Trade and other payables	29,415	-	29,415
Lease liability	8,996	9,341	18,337
	38,411	9,341	47,752

Notes

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 2021 (2020: 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

PPD revenue under the general fund shows higher revenues in comparison to prior year due to a higher burn rate resulting from the return of face-to-face meetings. Given that there is a PPD program being funded by partner funds, revenue is recognized as the activities are achieved, therefore the higher costs of face-to-face meetings reflect higher revenues. Given that the partners wired in funds based on workplans submitted to them within the year and in advance, the activities were fully funded.

On the projects fund, the PPD/ Project revenues are much higher than 2020 as they include over 200 Million KES which was wired out to the National treasury for the purchase of vaccines from funds that had been raised for the Private sector led vaccine initiative. Additionally, as the Ajira Digital project that was in its 2nd year of implementation as well as other ongoing projects had burn rates that were much higher than in the previous year, given the economy's return to near normal in 2021 as it recovered from the COVID - 19 pandemic that had hit the world in the year 2020. Since Projects revenue is recognized as the activities are executed, the higher costs resultant from higher burn rates was reflected in the higher revenues

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.

Notes

5 Public Private Dialogue and Project Funds

	Deferred revenue as at 31 Dec 2020 KSh'000'	Received/ (refunds) KSh'000'	Interest on Funds Ksh'000'	Capital expenditure Ksh'000'	Revenue earned during the year KSh'000'	Deferred revenue at 31 Dec 2021 KSh'000'
KEPSA Public Private Dialogue Funds						
Institutional Strengthening and Policy Support Program	409	-	-	-	(409)	-
SME Policy Index Study, Presidential Round Table on NBA II and County Own Revenue Policy and Tax Bill	1,299	-	-	-	(1,299)	-
Integrating Public-Private Sector Dialogue (PPD) for Trade and Investment in Kenya	47,587	56,748	1,259	(1,103)	(99,792)	4,699
Business Sector Program Support	306	-	-	-	(306)	-
Countering Violent Extremism (CVE) on the Private Sector	3,449	-	-	-	(3,449)	-
Enhancing Private Sector Participation In Government Reform	-	575	-	-	(572)	3
Supporting an Inclusive and Multi-Sectoral Response to COVID-19	4,094	(413)	3	-	(3,682)	2
Solar Governance Project- Denmark Tekniske support	-	101	-	-	-	101
KEPSA Foundation Projects						
Support for Better Business Practices for Children	2,079	5,980	20	-	(7,505)	574
Mkenya Daima Project	41	-	-	-	(5)	36
Ajira Digital Project	250,671	364,970	10,893	(1,103)	(320,540)	304,891
Business Hub	739	5,587	-	-	(49)	6,277
MSME Financing Facility	29,014	2,209	635	(237)	(28,688)	2,933
Chandaria MSME Revolving fund	-	4,999	91	-	(1)	5,089
COVID VACCINE FUND	-	255,801	172	-	(222,294)	33,679
Truck Drivers Testin g -Rockefeller support	-	117,311	130	-	-	117,441
Supporting Sustainable and Inclusive Business (SIBs) Sustainability Strategy 2017-2018	4,944	54,145	277	-	(44,570)	14,796
Kilimani Police Station Redevelopment Project	1,012	-	25	-	-	1,037
Kijani Movement	640	-	-	-	-	640
Foundation Admin	620	-	8	-	(328)	300
Lay Your Brick	49	-	-	-	-	49
Mkenya Daima-Uraia support	-	12,000	60	-	(3,303)	8,757
Education for All Children	-	1,000	-	-	(989)	11
	346,953	881,013	13,573	(2,443)	737,781	501,315

Notes

5 Public Private Dialogue and Project Funds (continued)

	Deferred revenue as at 31 Dec 2019 KSh'000'	Received/ (refunds) KSh'000'	Interest on Funds KSh'000'	Capital expenditure KSh'000'	Revenue earned during the year KSh'000'	Deferred revenue as at 31 Dec 2020 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	(209)	(28,779)	4,944
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

Notes

6	Membership subscriptions	2021 Shs '000	2020 Shs '000
		74,611	74,625
7	Other income		
	Bank interest	2,435	1,242
	Events	5,474	11,620
	Net foreign exchange loss	4,341	1,581
		12,250	14,443
8	Finance cost		
	Finance cost on lease	1,547	2,584
9	Administrative expenses		
	<i>Employment:</i>		
	Salaries and wages	152,774	128,436
	NSSF	654	615
	Staff development	956	280
	Staff provident fund	9,103	5,978
	Other Staff Costs	10,556	11,200
		174,043	146,509
	Other administrative expenses:		
	Telephone and postage	77	41
	Parking	401	494
	Internet and website	1,695	1,779
	Printing, stationery and office supplies	623	189
	External audit fees	1,095	991
	Internal audit fees	-	1,000
	Legal fees	-	29
	Repair and maintenance	394	847
	Professional fees	400	429
	Bank charges	388	362
	Events and other meetings	3,579	495
	Impairment of membership subscription due	605	1,179
		9,257	7,835
	Total administrative expenses	183,300	154,344

Notes

10 Establishment expenses

	2021 Shs '000	2020 Shs '000
Rent and rates	1,822	2,464
Insurance	313	215
Subscriptions	306	310
Licences	48	48
Repairs and maintenance	1,135	958
Depreciation expense	9,754	9,455
Other	18	2,691
	13,396	16,141

11 Public Private Dialogue and Project Costs

Advocacy expenses (public private dialogues and roundtables)	269,906	23,371
Business Forums & Trade Delegations	1,919	1,796
Printing	1,457	212
Telephone Cost	3,896	717
Consultancy	291,161	99,859
Transport Costs	3,262	871
Luncheons & Receptions	245	58
Stationery	117	340
	571,963	127,224

12 Capital grant

At start of the year	5,895	2,647
Additions: Property and equipment (Note14)	2,355	4,723
Less: Amortization for the year	(2,632)	(1,475)
At end of year	5,618	5,895

13 Taxation

a) Income tax expense

The Interest income earned on the investment using the membership contribution is subjected to corporate tax at 30%% (2020: 25%)

	2021 Ksh'000	2020 Ksh'000
Taxable income	2,435	1,242
Being the Interest Income from Investment		
Corporate tax @ 30%	730	311
Balance payable	730	311

Notes

b) Current income tax

The movement on current income tax account is as follows:

	2021 Shs'000	2020 Shs'000
At start of year	311	-
Charge to profit or loss	730	311
Tax paid during the year	-	-
At end of year	1,041	311

14 Property and equipment

	Furniture, fittings & equipment Shs '000	Computers, copiers & faxes Shs '000	Total Shs '000
At 31 December 2021			
Cost			
At 1 January	18,989	12,154	31,143
Additions	151	2,676	2,827
At end of period	19,140	14,830	33,970
Accumulated depreciation			
At 1 January	(15,814)	(8,606)	(24,420)
Annual depreciation	(640)	(2,239)	(2,879)
At end of period	(16,454)	(10,845)	(27,299)
At 31 December 2021			
Cost	19,140	14,830	33,970
Accumulated Depreciation	(16,454)	(10,845)	(27,299)
Net book value	2,686	3,985	6,671

Notes

14 Property and equipment

	Furniture, fittings & equipment Shs '000	Computers , copiers & faxes Shs '000	Total Shs '000
At 31 December 2020			
Cost			
At 1 January	17,529	8,732	26,261
Additions	1,460	3,422	4,882
At end of period	18,989	12,154	31,143
Accumulated depreciation			
At 1 January	(15,073)	(7,447)	(22,520)
Annual depreciation	(741)	(1,159)	(1,900)
At end of period	(15,814)	(8,606)	(24,420)
At 31 December 2020			
Cost	18,989	12,154	31,143
Accumulated Depreciation	(15,814)	(8,606)	(24,420)
Net book value	3,175	3,548	6,723

15 Intangible assets – software

	2021 Shs'000	2020 Shs'000
Cost		
At start of year	7,231	7,231
Additions	-	-
At end of year	7,231	7,231
Accumulated amortization		
At start of year	(7,104)	(6,962)
Amortization	(18)	(67)
Accumulated amortization on asset write -off	-	(75)
At end of year	(7,122)	(7,104)
Carrying amount		
At the end of year	109	127

Notes

16 Trade and other receivables

Membership fees receivable
Provision for Impairment

2021
Shs'000

1,594
(605)

2020
Shs'000

1,805
(1,179)

989

626

Rent and other deposits

1,344

1,214

Prepayments

123

1,084

Other receivables

3,753

-

6,209

2,924

Movement in provision for impairment

At the start of the year

1,179

-

Increase/(decrease) in the provision

(574)

1,179

At the end of the year

605

1,179

17 Right of use asset

At 1 January

13,570

20,230

Amortization

(6,785)

(6,660)

As at 31 December

6,785

13,570

18 Cash and bank balances

Cash at bank

45,176

69,842

Cash in hand

363

500

45,539

70,342

Cash and cash equivalent

Cash and bank balances

45,539

70,342

Short term investments

541,022

301,268

586,561

371,610

19 Short term investment

KEPSA has invested in fixed and call deposits with NCBA Bank. The effective return during the period ranged between 5% and 6.55% p.a.

Call deposit

29,585

2,000

Fixed deposit

511,437

299,268

541,022

301,268

Notes

20 Trade and other payables

	2021 Shs'000	2020 Shs'000
Trade payables	18,479	14,897
Prepaid membership fees	11,925	11,682
Other payables	6,589	2,196
Deferred discount	-	640
	36,993	29,415

21 Lease liability

As at 1 January 2021	16,345	21,229
Interest for the period	1,547	2,584
Lease payments in the period	(8,897)	(7,468)
	8,995	16,345
Non-current lease liability	-	7,875
Current lease liability	8,995	8,470

22 Contingent Liabilities

The Company's objectives include public good interventions such as youth employment, women empowerment, peace initiatives, supporting small businesses, among others. It also advocates for policies and Bills under Public Private Dialogue, for an enabling business environment that leads to poverty reduction through increased jobs and wealth creation. The Company received a letter from Kenya Revenue Authority (KRA) on June 8, 2017, confirming that since it was a trade association no tax liability was established. The Company is following up with KRA on its tax exemption status considering that its objectives have not changed. In the event that KRA does not grant exemption, the Company will be liable to pay any applicable taxes. Based on professional advice received, the directors believe that the company has a strong case to support the application for exemption.

23 Directors' remuneration

There were no fees paid to directors for their services at 31 December 2021 (2020: Nil)

KEPSA Members 2021-2022

KEPSA BUSINESS ASSOCIATIONS

1	Agricultural Employers' Association	26	Institute of Certified Secretaries	51	Kenya Transporters Association of Kenya
2	Agrochemicals Association of Kenya	27	Institution of Engineering Technologists and Technicians	52	Kenya Water Industry Association
3	American Chamber of Commerce Kenya	28	Institution of Engineers of Kenya	53	Leasing Association of Kenya
4	Association of Consulting Engineers of Kenya	29	Japan External Trade Organization	54	Medical Technology Industry Association of Kenya (MEDAK)
5	Association of Gaming Operators	30	Kenya Association of Air Operators	55	National Association of Private Universities of Kenya
6	Association of Kenya Feed Manufacturers	31	Kenya Association of International Schools	56	National Society for Women Entrepreneurs Kenya
7	Association of Kenya Insurers	32	Kenya Association of Manufacturers	57	Oil & Gas Contractors Association of Kenya
8	British Chambers of Commerce Kenya	33	Kenya Association of Pharmaceutical Industry	58	Organization of Women in International Trade
9	Business Ireland Kenya Association	34	Kenya Association of Travel Agents	59	Petroleum Outlets Association of Kenya
10	Car Importers Association of Kenya	35	Kenya Association of Women Business Owners	60	Pharmaceutical Society of Kenya
11	Chartered Institute of Arbitrators (Kenya Branch)	36	Kenya Association of Women in Tourism	61	Protective Security Industry Association
12	Delegation of German Industry & Commerce in Kenya	37	Kenya Auto Bazaar Association	62	Public relations society of Kenya
13	Domain Registrars Association of Kenya	38	Kenya Bankers Association	63	Retail Trade Association of Kenya
14	East African Private Equity & Venture Capital Association	39	Kenya Forex & Remittance Association	64	Roads & Civil Engineering Contractors Association
15	East African Tea Trade Association	40	Kenya Healthcare Federation	65	Seed Trade Association of Kenya
16	Electricity Sector Association of Kenya	41	Kenya Institute of Supplies Management	66	SME Founders Association
17	Electronic Cargo Tracking Systems Providers Association of Kenya	42	Kenya International Freight & Warehousing Association	67	Technology Service Providers Association of Kenya
18	Environment Institute of Kenya	43	Kenya Motor Industry Association	68	The Architectural Association of Kenya
19	European Business Council	44	Kenya Oil & Gas Association	69	The Chartered Institute of Arbitrators (K)
20	Event Managers Association of Kenya	45	Kenya Private Schools Association	70	The Kenya Association of Pharmaceutical Industry
21	Federation of Kenya Employers	46	Kenya Property Developers Association	71	The Kenya Flower Council
22	French Society of Kenya	47	Kenya Renewable Energy Association	72	The SME Support Centre Limited
23	Geothermal Association of Kenya	48	Kenya Ships Agents Association	73	Town & County Planners Association of Kenya
24	Institute of Surveyors of Kenya	49	Kenya Tea Growers Association	74	United Business Association
25	Institute of Certified Public Accountants of Kenya	50	Kenya Tourism Federation	75	Women in Business Community Network

KEPSA Members 2021-2022

KEPSA CORPORATE MEMBERS

1	Actis Africa Limited	30	Base Titanium Limited	59	Citibank N.A Kenya
2	Adept Technologies Limited	31	BASF East Africa Limited	60	City Drop Ventures
3	Africa Health Business Limited	32	Bata Shoe Company PLC	61	CKL Africa Limited
4	Africa Practice East Africa Limited	33	Beaurick General Supplies	62	CMA CGM Kenya Limited
5	Agence Ushauri	34	Bechtel-BNT Construction & Engineering Kenya Limited	63	Coca Cola East & Central Africa
6	Agri Experience Limited	35	Bedi Investments Limited	64	Control Risks East Africa Limited
7	AIG Kenya Limited	36	Benchmark Distributors Limited	65	Corprisk Africa Limited
8	Airtel Networks Kenya Limited	37	Bidco Africa Limited	66	Corprisk International Limited
9	Akiira Geothermal Limited	38	Biogas Power Holdings (EA) Limited	67	CPF Group
10	Alfluence International Limited	39	Blackberry House Limited	68	Crown Solutions Limited
11	All for cars International Limited	40	BOC Kenya Limited	69	Crystal River Products Limited
12	All Stars Mtumba Kenya Limited	41	Bollore Africa Logistics (K) Limited	70	Dalberg Global Development Advisors
13	Alternatives Africa Limited	42	Booktalk Africa Limited	71	Dallas Technoprises
14	Amazon Web Services	43	Bridge International Academies Limited	72	Daproim Africa Limited
15	AMG Realtors Limited	44	Bridotty Group Limited	73	Darda Taxyridders Limited
16	Anchor Marketing Limited	45	Bright Vision Media Limited	74	Davis & Shirtliff Limited
17	Apec Consortium Limited	46	British American Tobacco Plc	75	Decapoli Engineering
18	App 4 jobs Limited	47	Brookside Dairy Limited	76	Dee & Dee Royal Limited
19	APT Commodities	48	Bumblebee Sports and fitness Limited	77	Deloitte Limited
20	Arc Africa Limited	49	Burn Manufacturing USA LLC	78	Dessra Ventures Limited
21	Artroid Design World Arts	50	Card Group East Africa Ltd	79	DHL Worldwide Express Kenya Limited
22	Asal Frontiers Limited	51	Carepay Limited	80	Diamond Engineering Company Limited
23	Associated Battery Manufacturers East Africa Limited	52	CDC East Africa Advisers	81	Dorion Associates
24	Astral Aviation Limited	53	Centum Investment Company Limited	82	Doshi & Company (Hardware) Limited
25	ATC Kenya Operations Limited	54	Cerberrus Engineering Limited	83	Dow Chemical East Africa
26	AvoGreen Supplies Limited	55	Cetros Company Limited	84	East African Breweries
27	B.Braun Medical (K) Limited	56	Chandaria Industries Limited	85	E-Card Services Limited
28	B2B Africa Limited	57	Chawang Engineering Enterprises Limited	86	Ecoener Ingenieria Kenya Limited
29	Bamburi Cement Limited	58	Christ Community	87	Edu Plus Africa Limited

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88	Elecster Kenya Limited	117	Genie Telkom	146	Interintel Technologies Limited
89	Elgon Kenya Limited	118	Gennis Consulting Limited	147	Intermatt Limited
90	Elimu Digital Media Limited	119	Gerivia Advocates LLP	148	Ipsos Limited
91	Emma's Knoll Logistics & supplies Limited	120	Gertrudes' Children's Hospital	149	Isuzu East Africa
92	Emobilis Technology Academy	121	Glabal and Rapid services	150	Jamii Telecommunications Limited
93	E-Moto Limited	122	Global Standards Certification Limited	151	Jawabu Interiors
94	Empire Feeds Limited	123	Globeleq Africa Holdings Limited	152	JC solutions Limited
95	English Press Limited	124	GlovoApp Kenya Limited	153	Jijenge Credit Limited
96	Errands Guy Eplatform Limited	125	Godel Limited	154	JNO Advocates LLP
97	Eselle Group Company Limited	126	Good Testimony Junior School Limited	155	Jobsikaz Afrique Limited
98	Essikip Limited	127	Google Kenya Limited	156	johnson & johnson middle east fz-ltc
99	Expertise Global Consulting Limited	128	Grain Industries Limited	157	Juza Africa Limited
100	Express Communications Company Limited	129	Grant Thornton Consulting Limited	158	kaleidoscope Consultants
101	Facebook	130	Growthpad Digital Consulting	159	Keekapu Grocers Limited
102	FAPCL Group Limited	131	Guardnow Security Group(K)	160	Kenchic Limited
103	Farm Africa Limited	132	Halal Premier International	161	Kengas Link Limited
104	Fashion Eden	133	Healthy U Two Thousand Limited	162	Kenya Climate Innovation Center
105	Firstfin Africa Direct Limited	134	Hiventy Africa Limited	163	Kenya Development Corporation
106	Flamingo Horticulture Kenya Limited	135	HMG Works Limited	164	Kenya Kazi services Limited
107	Flomsa Limited	136	Hospitality Systems Consultants Limited	165	Kenya Markets Trust
108	Fortescue Future Industries Kenya Limited	137	Huawei Technologies Kenya Company Limited	166	Kenya Network Information Centre
109	Fourth Generation Capital Limited	138	Hudson Agencies	167	Kenya Pipeline Company Limited
110	Freight Forwarders Kenya Limited	139	IBM East Africa Limited	168	Kenya Power & Lighting Company
111	Frontier Investment Management Africa Limited	140	Ignite Trade Africa	169	Kenya Tea Packers Limited
112	G4S Kenya Limited	141	Image Registrars Limited	170	Kenya Wine Agencies Limited
113	G-Ajiri Fiedtechs Limited	142	Imperial Housing Group Limited	171	Kijani Green Limited
114	Galana Oil Kenya Limited	143	Incentro Africa	172	Kiptinness & Odhiambo Associates
115	Ganatra Plant & Equipment Limited	144	Institute of Public Finance	173	Klen Gas Suppliers
116	GE East Africa Services Limited	145	Intercity Secure Homes Limited	174	KOKO Networks Limited

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175	Komaza Forestry Limited	204	Milly Glassworks Limited	233	OpenBusiness Africa Limited
176	Konza Technopolis Development	205	Milush Enterprise Limited	234	Optiven Limited
177	KPMG Kenya	206	Mini Me Kids	235	Oracle Corporation Systems Kenya
178	KTDA Management Limited	207	MK Light Africa Right Limited	236	Origen Fresh EPZ Limited
179	Larsen and Toubro Limited	208	M-KOPA Kenya Limited	237	Oliver K. Limited
180	Lawyers Hub Kenya	209	Monsanto East Africa	238	Osho Chemical Industries Limited
181	Liaison Group (I.B) Limited	210	Moringa School Limited	239	Panafrican Equipment Kenya Limited
182	Light for the World	211	MW& Company Advocates LLP	240	Paytree Group Limited
183	Liyana Traders Limited	212	Mwembe and Mwembe Associates	241	Pearltek Kenya Limited
184	Liquid Telecommunication Kenya	213	Myfugo Innovation Limited	242	Pick-A-lot
185	Little Einsteins East Africa	214	Nairobi Bottlers Limited	243	PKF Kenya
186	Lori Systems Limited	215	Nairobi Securities Exchange	244	Planon Solutions Limited
187	LRMG Proprietary Limited	216	Nation Media Group	245	POA Internet Kenya Limited
188	Ludique Works	217	Natra Tech E.A Ltd	246	Polucon Services Kenya Limited
189	Lued (A) Chemicals Ltd	218	NCBA Bank Kenya Plc	247	Ponea Health Limited
190	Lukenya High School Limited	219	Nemsi Holdings Limited	248	Prideinn Hotels & Investment Limited
191	Mabati Rolling Mills Limited	220	Netcore Links Limited	249	Primavera Farms Limited
192	Madison Group Limited	221	Nexton Limited	250	Priori Technologies Limited
193	Maersk Kenya Limited	222	Norkan Beauty Boutique	251	Procter & Gamble Distribution East Africa Limited
194	Majik Water Technologies Limited	223	Nouveta Limited	252	PTG Limited
195	Mantrac Kenya Limited	224	Nurse in Hand	253	Ravenswood Limited
196	Mars Wrigley and confectionery	225	Nutri You Farm & Shop Ltd	254	Rentworks East Africa Limited
197	Marubeni Corporation	226	Nyambok & Company Investments Limited	255	Rescue Integrated Initiative Limited
198	Mbuni Artifacts Exporters & Importers	227	Oakar Services Limited	256	Resolution Health Limited
199	Medilink Lab & Surgical Limited	228	OBG Company Limited	257	Rift Valley Highway Limited
200	Melvin Marsh International Limited	229	OCP Kenya Limited	258	Robson Harris Advocates LLP
201	Merican Limited	230	Ogilvy Public Relations	259	Ronalds Limited Liability Partnership
202	Meridiam SAS Ethiopia Branch	231	One Acre Fund	260	Royal Flora Holland Kenya Limited
203	Millennial Speak Limited	232	One Health Limited	261	Royal Tots Daycare and Nursery Kiembeni Limited

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262	RSM Eastern Africa LLP	289	Songa Capital Limited	316	Tunga Tunga Hcrafts
263	RWK & Associates CPA(K)	290	Sowitec Kenya Limited	317	Twiga Foods Limited
264	Safaricom Limited	291	Spart Freight Logistics Limited	318	Uber Kenya Limited
265	Saillon Pharma Limited	292	St Bakhita School Limited	319	Ultravetis East Africa Limited
266	Sanergy Limited	293	Stanbic Bank	320	Upfield Kmeya Limited
267	SAP East Africa	294	Standard Chartered Bank Kenya Limited	321	Urembo Hub Limited
268	Sarai Afrique Limited	295	Star Beam Ventures Limited	322	Uwezo Wetu Foundation
269	Sarova Hotels Limited	296	Strauss Strong Group Limited	323	Vantage Homes Limited
270	Sayani Investments Limited	297	SUADEO Technologies Limited	324	Vegemark Limited
271	Schneider Electric (K) Limited	298	Sunculture Kenya Limited	325	Veggie Ville Limited
272	Scope and Impact Limited	299	Sunvine Africa Limited	326	Victory Farms Limited
273	Senaca East Africa Limited	300	Tactive Consulting Group Limited	327	Vintage Baby Kenya Limited
274	Sewe International Limited	301	Tamokwe Agency Limited	328	VISA International Service Association
275	SGS Kenya Limited	302	Tata Chemicals Magadi Limited	329	VitalRay Health Solutions
276	Shammah International Agency Limited	303	Tech Innovators Network Think Tank Limited	330	Viva Africa Consulting LLP
277	Shartlon Security and private Investigation Services Company Ltd	304	Telescope Medical Technologies	331	Vivo Energy Kenya Limited
278	Sheth Naturals Limited	305	Telesky Limited	332	Wanderlust Diaries Limited
279	ShopIT Limited	306	Tetra Pak Limited	333	Waste Electrical and Electronic Equipment Centre (WEEE Centre)
280	Silikon Consulting Group Limited	307	The Alternative Accommodation Network	334	Wells Fargo Limited
281	Simba Corporation Limited	308	The Karen Hospital	335	Wellwise Healthcare Solutions Limited
282	Skika Group Limited	309	Tira Studio	336	Western seed
283	SNDBX International	310	Tibu Health Limited	337	Westminister Trade & Tax LLP
284	Snetor East Africa Limited	311	Tokoyasu Solutions Limited	338	Winnie's Pure Health Products Limited
285	Social Performance Advisory Limited	312	Torrent East Africa Limited	339	Woolworths (K) PTY LTD
286	SOJITZ East Africa	313	Trinity Energy	340	Work Experience and Mentorship Academy Ltd
287	Sokowatch Limited	314	Trinity Magnolia Printers	341	Zawadi Brand Solutions Ltd
288	Solid Link International Limited	315	Trulink Solutions Limited	342	Zenka Digital Limited



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