THE SIMBA era

KEPSA
KENYA PRIVATE SECTOR ALLIANCE

The National BUSINESS AGENDA III 2018-2022

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Message From THE CHAIRMAN

We are now 15 years old as the Kenya Private Sector Alliance (KEPSA) and we have had our fair share of successes and challenges as players in the economic development of this great Country Kenya; 15 years from now, we will be taking stock of our 15-year strategy - The Simba Era Strategy. This NBA-III for us as business is a special one because it lays the foundation for our dreams and aspirations of having a business led economic transformation.

We all appreciate that 2017 was not an easy year for business given the extended election process. It is also important to note that many businesses have suffered due outstanding contractor / supplier payments that have led to unintended lay-offs for some while some have literally ground to a halt.

This is just one among many other issues that have to do with governance which if not adequately addressed will continue to hamper business and have a direct negative effect on revenue to the exchequer. We applaud the war on corruption led by the executive. We pledge to do our part as business since we know it takes two to tango.

I believe this NBA-III will set the pace for the multi-sectorial forums in KEPSA to fully articulate the needs of our members. The "Big Four" will best be delivered with the full participation of businesses in collaboration with government and other stakeholders. We have therefore identified 3 turn-key areas for strengthening our internal macro-economic environment, improving efficiency and creating jobs. These are:

01 Heightened and sustained war on Corruption (the biggest contributor to our low global competitive index) and improving governance.

02 Transforming our Counties into efficient hotbeds for new investment and growth.

03 Developing a cohort of viable SMEs that will carry the Kenyan brand in the competitive global arena.

Through the concerted efforts of all our members as KEPSA, constructive engagements with Government to create a conducive environment for business and constant re-evaluation of our intervention strategies, we will be able to lift Kenya into its desired upper-middle income country status as envisaged in the Vision 2030 strategy. Let's us all lay a strong foundation for this business led economic transformation for the next 5 years.

Message From THE CEO

The National Business Agenda (NBA) III has been developed by building on the gains of the NBA II, business challenges arising during the 2013-2017 period and the necessary interventions that were needed to enable business to thrive. Key among these gains was the improvement in the ease of doing business index from position 129 in 2013 to 80 in 2018. Yet, there is still work to be done in improving our Global competitive index which stood at 143 out of 180 in 2017. The on-going war on corruption is a positive step given that it ranks highest in the list of hindrance to doing business in Kenya. Others include unfavourable tax rates and regulation, business regulatory environment, access to finance especially for micro, small and medium size enterprises (MSME) and security.

Lessons from NBA II, which covered the governments Medium Term Plan II are key in creating a proactive business strategy in line with government medium term plan 2018-2022 (MTP III) taking cognisance of the leadership agenda, The Big Four, focusing on enhancing Manufacturing, Food security and Nutrition, Universal health coverage and affordable housing. The NBA-III also embodies the Kenyan dream of achieving the Middle-Income Country status as envision under Kenya's Vision 2030 and the Simba Era Strategy by Kenya Private Sector Alliance (KEPSA).

The NBA-III has also been developed against a backdrop of Kenya's waning regional influence, increased appetite for government borrowing both domestic and foreign as well as a myriad of issues with Devolution.

The 2018-2022 implementation of the NBA-III will happen in an era that signals strengthening of the global economy providing an opportunity to grow the external demand of Kenya's goods and services. In 2017, Kenya ranked 65th on the Inclusive Development Index (IDI)[1], with its performance declining somewhat over 4% in the previous five years. Kenya had a comparatively low labour productivity and GDP per capita, as well as a high dependency ratio. Wealth inequality worsened considerably over the years. On the other hand, it had a larger middle class than most countries in the Lower-Middle Income group.

NBA-III will be laying the foundation for the Simba Era and at the same time, work in consonant with government to deliver the medium-term plan III and the Big Four Agenda. This will be achieved in areas that have business and investment opportunities in partnership with development partners in areas of convergence of strategy. It is with this in mind that the NBA-III has zeroed in on three (3) thematic areas namely:

01 *Reinvigorating domestic demand for growth and stability*

02 *Export Development and easy access to global markets*

03 *Fostering research, innovation and creativity*

KEPSA wants to increase opportunities for its members through an export promotion strategy that links our members to private equity funds, aggressive market access that exploits the Africa free trade area and other global markets (both traditional and new markets) and strategic branding. We also realize that in order to strengthen our internal macro-economic environment, improve efficiency and create more jobs, we must:

- Sustain the war against corruption and improve our institutions of governance.
- Ensure our devolved structures are transformed into efficient hotbeds for new investment.
- Develop a cohort of viable SMEs that will carry the Kenyan brand through innovation, creativity and leveraging the use of technology to create distinct Kenyan enterprises.

[1] World Economic Forum. *Inclusive Growth and Development Report 2017*

About NBA-III: 2018-2022

NBA II THEMATIC AREAS

- IMPROVING GOVERNANCE & THE BUSINESS REGULATORY ENVIRONMENT
- UPGRADING SECURITY
- INFRASTRUCTURE DEVELOPMENT
- ENHANCING TRADE & INVESTMENT
- PROMOTING HUMAN CAPITAL DEVELOPMENT & ENTREPRENEURSHIP

The National Business Agenda (NBA) II aspirations were carried by its five (5) broad thematic areas: Improving Governance and the business regulatory environment, upgrading security, Infrastructure development, enhancing trade and investment and promoting human capital development and entrepreneurship. For each of the thematic areas, each sector board outlined a list of achievements and pending issues in the sector board progress report that would inform the strategic focus of the NBA-III. Some of the areas of progress included the passing of the National Finance Policy sessional paper no.3 of 2017; the finalization of the National Export Development and Promotion Strategy; while the Ministry developed the Agriculture Growth and Transformation Strategy; piloting of the National Education Management Information System by private sector; adoption of the National Land use Policy by the National Assembly; operationalization of the Private Security Regulation Act; Computer and Cyber-crimes Act; and the finalization of the Draft Export and Promotion Strategy 2017-2022.

However, the implementation also faced challenges in areas that will still present challenges to private sector. These include and are not limited to: the finalization of the development of the National Climate Change Action Plan (2018-2022), finalization of the County Own Source Revenue Enhancement Policy; Agriculture Policy; piloting of the New Education System; implementation of the National Land Information Management System (NLIMS) as well as unsettled accounts /obligations to contractors and suppliers by National and County Governments.

The National Business Agenda (NBA) III has been prepared in an environment where growth in advanced economies is predicted to decelerate over the next few years, as monetary policy normalizes and the effects of US fiscal stimulus wane. In Emerging Market and Developing Economies (EMDEs), growth in commodity importers is expected remain robust, while the rebound in commodity exporters is projected to mature by 2021. Globally, according to the World Bank, a growth rate of 3.1 percent is expected in 2018, and is projected to moderate in 2019-20, edging down to 2.9 percent. Economic growth in Sub-Saharan Africa, has been on an upward trend since 2016 and is expected to moderately grow to about 3.7 percent by 2020. This upswing reflects rising oil and metals production, encouraged by higher commodity prices, improving agricultural conditions, and increasing domestic demand.

This National Business Agenda has also given emphasis to the demographic dividend that is expected to have a catalytic effect on economic growth as well as how investments in education, health and gender parity could further spur GDP growth. Cognisant of the fact that 76% of Kenya's population is below 35 years old and 91% is below the age of 50, Kenya is about to reap the biggest demographic dividend in world history of a young, working age population at a time when many other economies of the world will be aging. The Asian Tigers were able to take advantage of the demographic dividend arising from significant and continued investments in education and family planning, in addition to the making necessary economic reforms and initiatives, and successfully integrating women into the labour market.

Given the enormity of the issues at hand, there is need to prioritise the pending issues sector by sector so as to address the most critical first. Therefore, had a session with each of the sector heads to not only validate the issues captured in the various drafts but also to single out key intervention areas that would contribute to the ease of doing business across all sectors. Kenya is currently focussing on delivering Vision 2030 through the Medium-Term Plan III (2018-2022) and the Big Four Transformative Agenda; mainstreaming and delivering the Sustainable Development Goals (SDG); as well as Agenda 2063.

Having listened to different business leaders, sector board chairs, and policy makers, the development of this NBA-III incorporated the outstanding priority issues from the NBA-II, Simba Era Strategy objectives and goals over the short- to medium-term period, and role that business could play in the Big Four Agenda and crystallised all these into three (3) broad thematic areas:

01 *Reinvigorating domestic demand for growth and stability*

02 *Export Development and easy access to global markets*

03 *Fostering research, innovation and creativity*

Against the backdrop of a slowdown of the global economy, reinvigorating domestic and intra-regional demand plays a crucial role in sustaining the current growth that Kenya is enjoying. In so doing, the NBA-III seeks to consolidate these gains by focusing on growing MSME; expanding the retail sector; attracting investments; enhancing value addition in Agriculture; optimising remittances from the diaspora; focusing on the blue economy and sports development.

The NBA, further delves into enhancing the current export capacity and access to global markets. This has been articulated through a focus on increasing exports; and taking advantage of the Continental Free Trade Area (CFTA) to expand on markets from our traditional markets as well as attracting new markets globally.

Further, this NBA recognises that without research and innovation, the aspirations of the Simba Era may not be realised. Therefore, the emphasis has been placed on the Global Value Chain Innovation as well as scientific research funded by the private sector in conjunction with institutions of higher learning and the Government.

Concomitantly, NBA-III has identified key enablers among them reforming tax and the business environment; enhancing governance; reviewing land holding, use and management; infrastructure development; harnessing the demographic dividend; and addressing the business and biodiversity.

These thematic areas are fleshed out in detail by defining specific objectives under each area with corresponding interventions, targets, indictors, benchmarks and timelines. The delivery of this NBA-III is a shared responsibility between business and government collaboratively and/or individually thereby increasing ownership and accountability for the desired outcomes. A Monitoring, Evaluation and Impact Assessment tool has been developed to support the implementation of the NBA-III, periodic reviews to track and communicate results to members, government and partners. This NBA-III then addresses itself to the following impact areas upon which its success will be measured: Job creation, sustained economic growth and sustainable environment.

NBA III THEMATIC AREAS

01 REINVIGORATING DOMESTIC DEMAND FOR GROWTH AND STABILITY

- GROW THE MSME SECTOR BY AT LEAST 50% BY 2022
- EXPAND WHOLESALE AND RETAIL SECTOR BY MORE THAN 45% BY 2022
- INCREASE INVESTMENT BY MORE THAN 35% OF GDP PER ANNUM
- INCREASE REAL AGRICULTURE GROSS VALUE-ADDED GROWTH RATE BY MORE THAN 40% BY 2022
- RESTRUCTURE AND DEVELOP THE BLUE ECONOMY
- DEVELOP AND INCREASE INVESTMENT IN THE SPORTS ECONOMY

02 EXPORT DEVELOPMENT & EASY ACCESS TO GLOBAL MARKETS

- INCREASE EXPORTS BY AT LEAST 80% BY 2022
- INCREASE THE VALUE OF KENYAN INTERNATIONAL BUSINESS TO $18B BY 2022
- EXPAND TRADE WITHIN AFRICAN REGIONS BY 100% BY 2022
- GROW TRADE WITH THE REST OF THE WORLD BY MORE THAN 40% BY 2022

03 FOSTERING RESEARCH, INNOVATION AND CREATIVITY

- INTENSIFY SCIENTIFIC RESEARCHES THAT PROMOTE INNOVATION
- ENHANCE GLOBAL VALUE CHAIN INNOVATION
- PROMOTE THE CREATIVE ECONOMY

KEY ENABLERS

- a GOVERNANCE
- b LAND HOLDING, USE & MANAGEMENT
- c INFRASTRUCTURE
- d DEMOGRAPHIC DIVIDEND
- e BUSINESS & BIODIVERSITY

DELIVERED THROUGH:

- POLICIES
- LEGISLATION
- DIRECT ACTION
- PARTNERS

THEMATIC AREA 01

Reinvigorating Domestic Demand for Growth and Stability

The Government of Kenya and Kenyan businesses need to increase their revenues to facilitate sustained growth in the GDP and bottom lines. Further, the potential for stronger domestic demand exists due to favourable population dynamics, rapid urbanization and a growing middle class. From 2015, there has been a weak contribution of capital stock to GDP growth in Kenya. Private sector investment, at around 15% of GDP, is below that of competitors; and foreign direct investment at 1% of GDP in recent years is far below what could be achieved (e.g., Tanzania and Uganda attract Foreign Direct Investment of about 5% of GDP) [2].

NBA-III lays emphasis on a more balanced growth strategy with a larger role for domestic demand needs to be based on the creation of domestic purchasing power through additional employment and wage-earning opportunities. Boosting domestic purchasing power through the creation of jobs and income as an essential condition for a shift towards a sustainable domestic consumption-oriented growth which is expected to boost the household consumption. For the 2018 -2022 period, KEPSA will pay attention to the following key focus areas to reinvigorate domestic demand:

- Growing the Micro, Small and Medium Enterprise (MSME) sector output by at least 50%
- Expanding retail penetration to more than 50%
- Increasing investments by 35%
- Increasing real agriculture value-added growth by 40%
- Restructuring and developing the Blue Economy Sector
- Develop and increase investment in the Sports Economy

[2] KIPPRA. *Kenya Economic Report 2017*

1.1 GROW THE MSME SECTOR OUTPUT BY AT LEAST 50% BY THE YEAR 2022

Micro enterprises have an important role to play in the generation of employment opportunities, and also in the promotion of self-employment and entrepreneurship. The MSME sector in Kenya is estimated to employ 15 million [3] persons with a potential of creating more employment as well as improving the quality of employment with growth and expansion exists in the sector.

The MSME sector can reinvigorate domestic demand through job creation and employment, which in turn may increase household incomes. MSMEs also serve as valuable partners to large enterprises as suppliers and providers of support services on one hand and on the other, serve as breeding ground for new entrepreneurs and large corporations. A vibrant MSME sector is thus an indication of a thriving and growing economy.

> *There is need to promote higher-value added services, leverage on enhanced skills and expertise (local and global), strengthen coordination among various government entities dealing with MSMEs, promote fast adoption of the emerging technology, set quantifiable targets and monitor progress of the MSME sector.*

[3] Kenya National Bureau of Statistics, *Micro, Small & Medium Establishments: Basic Report 2016*

Despite policies that aim to provide an enabling environment for MSME development, the sector still faces various constraints that prevent it from realizing its full growth and potential. It is estimated that approximately 1.5 million of these businesses are licensed whereas over 6 million establishments remain unlicensed. These unlicensed businesses contribute 10 percent of the MSME's gross value added.

The value of the MSMEs' output is estimated at 34 percent of GDP. Further, the sector has a high mortality rate of with over 2 million MSMEs being closed in the last five years. Another challenge is the stunted growth trajectory where businesses hardly formalize their operations (especially micro enterprises) or rarely transition from micro to small, small to medium, or medium to large.

KEY INTERVENTIONS

» Simplify, standardise and harmonise MSME regulatory and tax compliance environment

» Incentivising financial institutions to reach MSMEs with innovative financial products

» Establish feasible Domestic Economic Zones (DEZ) for MSMEs

» Enhance Incubation and Acceleration services to reduce MSME mortality

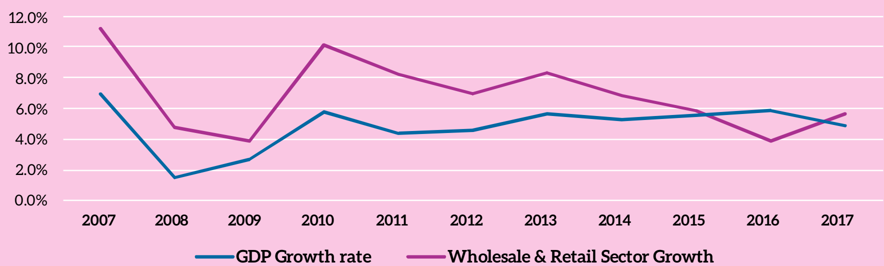
» Re-organise the MSME sub-sectors into Deposit Takings SACCOs

» Create an alternative segment for Micro-Enterprises in the Nairobi Securities Exchange for capital rising (separate from Growth Enterprise Market Segment)

1.2 EXPAND RETAIL PENETRATION TO MORE THAN 45% BY 2022

Retail trade is the 4th largest contributor to Kenya's GDP and the 3rd largest contributor to private sector employment with over 250,000 jobs. Years of robust GDP growth, increased purchasing power, and shifting consumer habits have accelerated transformation of the Kenyan retail market making it the second highest formal retail penetration in Sub Saharan Africa at 30% after South Africa with a penetration rate of 60% [4]. Others are Ghana at 4.0% and 2.0% in Cameroon and Nigeria. The total output of the retail sector in Kenya was over KES 1 trillion in 2017 contributing 7.6% to the GDP.

Figure 1: Retail Sector Growth vs GDP Growth



The total output of the retail sector in Kenya was over KES 1 trillion in 2017 contributing 7.6% to the GDP.

[4] Euromonitor International. *Country Report: Retailing in Kenya 2017*

The significance of the retail trade as an engine for Kenya's economic growth is underscored in the Vision 2030 where the government targeted to raise the share of products sold through the formal retail channels, such as supermarkets, from 5% in 2007 to over 30% by 2030. This sector stimulates demand for manufacturing, SME, agriculture and real estate sectors; while simultaneously providing an opportunity for efficient government revenue collection. Consequently, growth in this sector has a multiplier effect in the economy.

With a growing economy and improved infrastructure, the retailing sector is poised to expand in the 2018-2022 period. Nevertheless, this expansion faces some challenges – slow settlement of supplier's bills by retail outlets, influx of cheap imports and counterfeits, and a weak corporate governance culture in the retail sector.

According to the Global Retail Development Index (2017), Kenya is ranked 25th with a good rating in terms of the retail opportunity in the country however records drawbacks in political risks, national debt as well as business risks such as business cost of terrorism, crime, violence and corruption.

KEY INTERVENTIONS

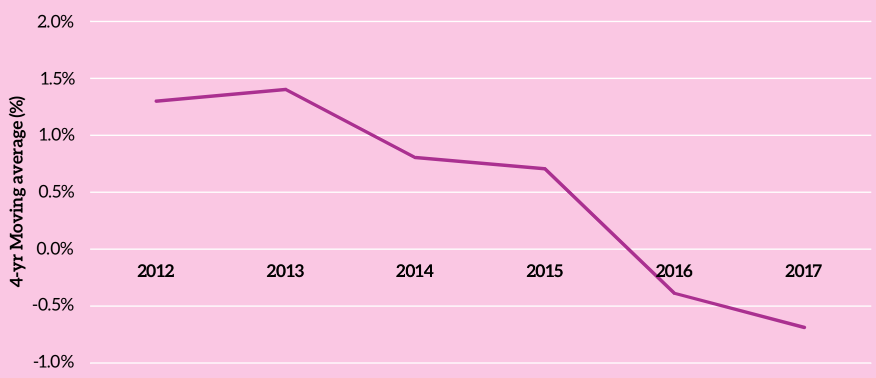
- Draft, Legislate and enforce the Retail Sector Prompt Payment Regulations and Retail Trade Sector Code of Practice
- Step up war against illicit trade, contraband and substandard goods to protect producers
- Simplify the requirements for establishing retail outlets
- Improve the national logistics system

1.3 INCREASE INVESTMENT BY MORE THAN 35% OF GDP ANNUALLY

Private Investment

Private Investment in Kenya currently stands at 18% of GDP. Based on this level of investment, poverty reduction is at the rate of 1% per annum and thus likely to derail the attainment of Vision 2030 of creating a sustainable middle class if the current levels of investments are maintained. Between 2012 and 2017, private investment contribution significantly declined as shown in Figure 2.

Figure 2: Private Investment Contribution to GDP Growth



Source: World Bank

This downward trend is as a result of weakened growth in agriculture, manufacturing, and trading activities. In addition, there's also been a sustained crowding out of the private investments in favour of higher yielding government securities. Inward Foreign Direct Investment also declined from US$ 1.45 Billion in 2011 to US$ 394 Million in 2016. For the Simba Era target to be achieved, private investment will have to increase by 2.4% [5] annually on average until 2030. More sustainably, the country must evolve from a factor-driven economy to an investment-driven economy.

Deepening equity and bond markets can also provide alternative sources of financing investment while at the same time stimulate growth in private sector. It can create an important structured way in which the private sector could participate in investing in infrastructure projects and PPPs especially in the counties.

Gross Domestic Savings (GDS) are also an important element of increased investment in the economy. During 2012 and 2016, GDS ranged between 6% and 11% of GDP. The Private Investment environment would benefit more if this ratio is maintained at double digits during the implementation of the NBA-III.

Ease and cost of doing business; and optimising remittances from Kenyans living abroad among other reforms are low hanging fruits that could be targeted to increase FDI and private investments.

[5] Okisai, E., (2018). *Impact of Economic Growth on Private Investment in Kenya.* International Journal of Economics, Commerce and Management. Vol. VI, Issue 5, May 2018 (p361 – 372). United Kingdom.

Ease and cost of doing business

The World Bank's Ease of Doing Business Index improved modestly during the implementation of National Business Agenda II from a composite score of 57.32 (2013) to 65.15 (2018) [6]. During this period, a broad range of business reforms were initiated including the areas of starting a business, obtaining access to electricity, registering property, protecting minority investors and streamlining insolvency rules. Nonetheless, the following remain outstanding [7]:

01 starting a company requires six procedures, takes approximately 25 days and costs over 25% of Kenya's income per capita. It takes five procedures, 8 days and costs about 3% of income per capita in the OECD;

02 dealing with construction permits requires 16 procedures, takes over 159 days and costs approximately 5% of the warehouse value. The sub-Saharan average is 15 procedures whereas the OECD average is 13 procedures;

03 registering property takes on average nine procedures, over 60 days and costs approximately 6% of property value. The sub-Saharan African average is six procedures whereas the OECD average is four procedures and approximate costs of 4% of the property value;

KEY INTERVENTIONS

- Reduce the number of days of registering a company from 25 days to less than 15
- Reduce the number of procedures of acquiring construction permits from 16 to 12
- Reduce the number of procedures of registering a property from 9 to 4.
- Coordinate the Monetary policy to ensure double digit ratio (>10%) of Gross Domestic Savings to GDP
- Maintain domestic Debt at below 30% of GDP to avoid crowding out private credit.
- Increase the tax base, enhance Tax compliance and reduce Corporate Tax to 27.5%
- Deepening and Expanding the Stock Exchange and Bond Market(s)
- Maintain annual Inflation at between 5% and 9%
- Increase the effectiveness of Special Economic Zones (SEZ)

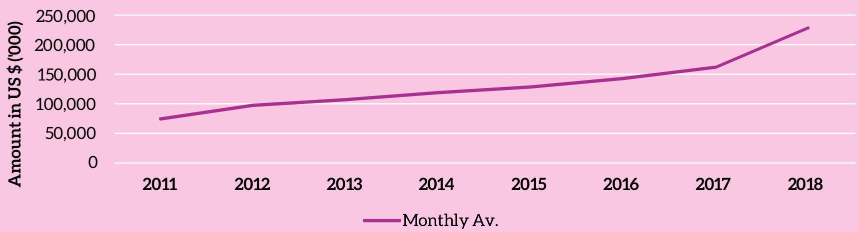
[6] https://countryeconomy.com/business/doing-business/kenya

[7] World Bank. *Kenya: Doing Business 2018*

Optimise remittances from Overseas Kenyan Citizens and Other Citizens of Kenyan Origin

Diaspora remittances are currently the highest inflow of foreign exchange in Kenya ahead of Tea and Tourism. In 2017, the remittances topped KES 197.12 Billion, a 13.09 per cent growth over KES 174.30 Billion in 2016. The average monthly remittances from diaspora have also grown over time as shown in Figure 3.

Figure 3: Monthly Average Diaspora Remittances (2011-2018)



Source: Central Bank of Kenya

The continued upward trend is driven by new partnerships between commercial banks and international money remittance providers which has brought down the cost of money transfers. It is also explained by the uptake of new financial products by local banks. The rising remittances have provided a useful source of foreign exchange, helping to raise reserves as well as maintain the stability of the shilling.

Other countries such as the Philippines and India, have recognised the importance of such remittances and have not only created enabling environments for their diaspora populations to invest in the local economy but more importantly, the affairs of their diaspora populations are managed strategically by the respective governments.

KEY INTERVENTIONS

- Entrench and Prioritise coordination of affairs of Overseas Kenyan Citizens (OKC) and Other Citizens of Kenyan Origin (OCKO) as a department of government under a Principal Secretary
- Provide a framework and Investment vehicles for OKC /OCKO for example infrastructure bonds
- Provide a policy framework for managing the welfare of OKC/OCKO

"

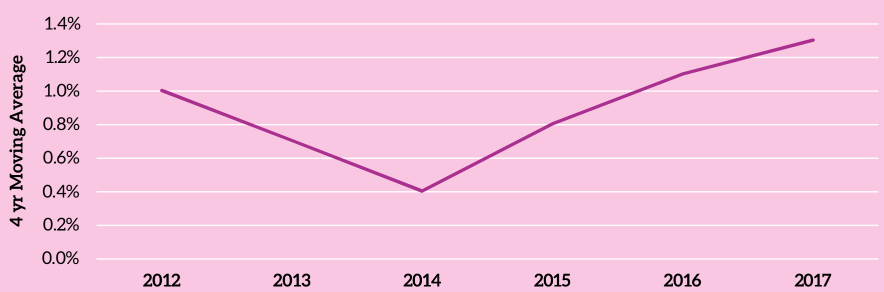
Since 2013, the public sector's contribution to GDP growth has increased from 1.1% to 2.5%

Public Investment

Public investment in Kenya has been constrained forcing the Government to finance the development budget through debt. According to the Central Bank of Kenya, the debt level as at March 2018 stood at KES 4.8 Trillion (KES 2.3T being domestic debt and KES 2.5T being external debt). This is a high debt level for a frontier country like Kenya with a debt to GDP ratio of 57%. In the short- to mid-term, possible liquidity pressure could arise from the large government debt instrument maturities, especially the 5-year Eurobond due in June 2019 that could result in further borrowing to offset the obligations.

Since 2013, the public sector's contribution to GDP growth has increased from 1.1 to 2.5 percentage points largely due to an expansionary fiscal stance with both increases in government consumption and public investment. The roll out of devolution, institutionalising the new Constitution, Trade Union agitations, rising debt service and pension liabilities among others are key reasons that explain the increase in Government consumption. Concomitantly, public investments such as the rails, roads and port expansion have eased supply side constraints and improved business turn-around times and reduced the transactional cost of doing business.

Figure 4: Government Investment Contribution to GDP



Source: World Bank

Fiscal consolidation supported by enhancing domestic revenue mobilization and reining in of recurrent expenditures, crowding in the private sector to carry out development projects through PPPs will reduce the burden on the exchequer.

Further, private sector credit growth can be crowded in through the establishment of an electronic collateral registry and improvements to the credit scoring system. Durable and robust growth will also be supported by climate proofing agriculture through increased adoption of drought tolerant seeds, investing in water harvesting and management systems as well as improving agronomical practices.

To ensure that public Investment does not crowd out the private Sector, Public investment should be focused more on goods and services which are non-rival and non-excludable in nature such as Long-term infrastructural projects.

KEY INTERVENTIONS

- Maintain Public Investment in infrastructure at a maximum of 25% of GDP
- Legislate alternative avenues for sources of long-term borrowing for infrastructural development such as Pension Funds and Unclaimed Assets Funds
- Implement Parastatal Reforms Taskforce Report recommendations to reduce the drain on the exchequer
- Reduce fiscal deficits at the National and County Levels
- Reduce the burden of Loan repayments from 23% of Tax collected to 20% by 2022
- Widen the tax base by fully Implementing the Multi-Lateral Instrument (MLI):
    - Activate the Common Reporting Standard (CRS) for the Automatic Exchange of Information (AEOI) protocol
    - Fully activate the Base Erosion and Profit Shifting (BEPS) Action 13 on Information Exchange Network
- Reduce poverty levels at the rate of at least 3% p.a from the current 35.6% of the population to 20%

1.4 INCREASE REAL AGRICULTURE GROSS VALUE-ADDED GROWTH BY 40%

Agriculture contributes 25% of the total Gross Domestic Product (GDP)

Agriculture sector in Kenya is the fundamental part of the economy contributing 25% of the total Gross Domestic Product (GDP), and another 27% indirectly. The sector employs over 40% of the total population and over 70% of the rural people. The sector is characterised by weak vertical integration, made worse by weak institutions and support services for agricultural exports. In this regard therefore, there exists a strong correlation between the growth of the economy and productivity in the agriculture sector:

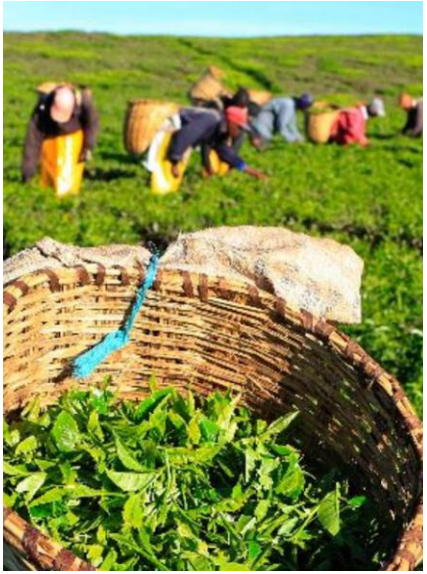
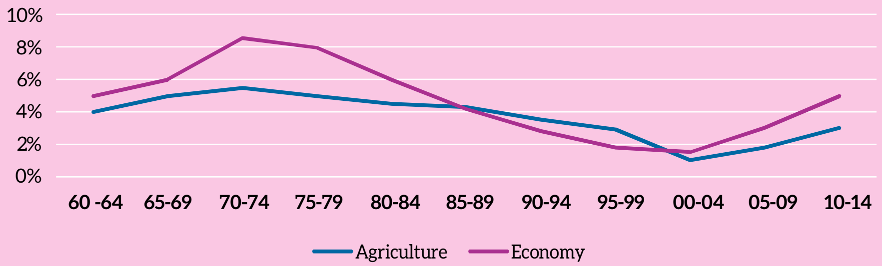


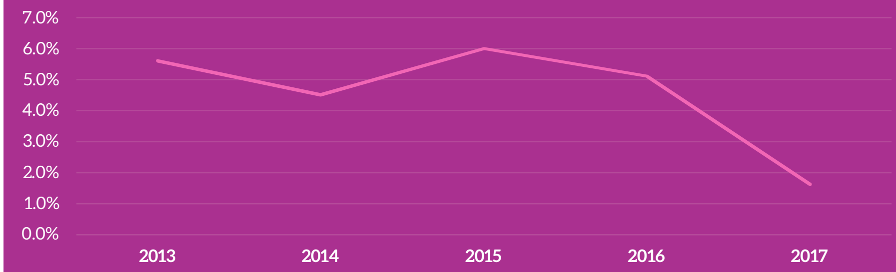
Figure 5: Correlation between the Agricultural sector and the National Economy



Source: Government of Kenya, Agricultural Sector Development Strategy 2010-2020

Reducing reliance on rain-fed agriculture and transitioning to value-added agricultural production are critical priorities of this National Business Agenda to reverse the trend from 2013 to 2017. Accordingly, it is anticipated that irrigation gains will boost the target for Value Added Agricultural produce for the domestic and export Markets.

Figure 6: Growth Rate in Real Agriculture Gross Value Added



Source: Kenya National Bureau of Statistics

To invigorate domestic demand, agricultural productivity has to be increased, farmers' incomes raised, more people fed and in deed, the general economic welfare enhanced. Farming must evolve from producing for subsistence to commercial profitable businesses for it to attract private entrepreneurs willing to invest therein and employ modern farming techniques necessary to achieve increased productivity. Technology-led agriculture is not only good for food security achievable but also essential in poverty alleviation.

The country's food balance sheet indicates the need for enhancing sufficient food production and reducing the reliance on imports of wheat, maize and rice which form the bulk of household food demand. The food balance sheet as at 31st December 2017 was as shown below:

Table 1: Kenya Food Balance Sheet Extract 2017 (Values in '000 Metric Tonnes)

	PRODUCTION		IMPORT		EXPORT	
	2017	2016	2017	2016	2017	2016
WHEAT	165	222	1,879	1,389	20	21
MAIZE	3,186	3,402	1,374	150	6	4
RICE	54	68	646	518	1	1
MILLET	54	54	87	7	0	0
SORGHUM	144	117	133	71	3	49
BARLEY	77	77	0	0	23	15
BEANS	846	729	1	1	35	0
PEAS	0	0	5	0	0	0
SUGAR	390	653	990	334	15	15

Source: Economic Survey 2018

The most intensive crop and dairy production take place on about 17% of the country's land. These areas have high and medium potential, the rest is arid and semi-arid, not suitable for rain fed agriculture. Consequently, increasing agricultural production will have to come from intensification of land use in the high and medium potential lands.

There is also low utilisation of irrigation potential with only less than 7% of the cropped land under irrigation. Kenya has an estimated irrigation potential of 1.3 million Hectares and a drainage potential of 600,000 ha; of the available irrigation potential, 540,000Ha can be developed with the existing water resources, while the rest of the area would require water harvesting and storage [8].

Currently, the country has over 4,000 small dams and water pans giving a total water storage capacity of approximately 185 million cubic metres for all uses, equivalent to less than 5 cubic metres per capita per year, which is among the lowest water storage rates in the world, equivalent to slightly over two months of use. As a result, if the country does not receive rains for only two months, it experiences famine, drought, low irrigation levels and even power rationing. Water can potentially result in conflict, tension and dispute between communities.

KEY INTERVENTIONS

- Increase water Storage capacity to at least 560 million cubic metres by 2022
- Increase Land under irrigation from 7% of the cropped land to at least 15% by the year 2022
- Improve the National extension staff to farmer ratio from 1:1,500 to 1:1100 by 2022
- Enhance Markets for Agricultural produce through addressing Supply chain inefficiencies
- Increase Forest Cover from the current 7.8% to at least 12% by planting one (1) million trees per county per year.
- Private Sector to Innovative Agri-based financial products to promote access to capital and Value Chain Financing
- Ensure all School going children get at least one (1) balanced meal a day
- Increase cogeneration of power from the sector

[8] Government of Kenya. *Agricultural Development Strategy 2010 - 2020*

1.5 RESTRUCTURE AND DEVELOP THE BLUE ECONOMY

The annual economic value of goods and services in the marine and coastal ecosystem in Kenya is estimated to be US$ 5 billion, mainly from tourism, which means that a lot more is required to realize the full benefits of the blue economy. To achieve strong and sustainable economic growth, Kenya should continue to diversify her sources of growth by pursuing the blue economy.

The Sustainable Development Goals (SDGs), specifically Goal 14 places the oceans more centrally on the development agenda. It is envisaged in this NBA that the Blue Economy (BE) can support the structural transformation into the Simba Era by generating high-productivity jobs to absorb workers from lower productivity activities such as subsistence farming and fishing. These activities of the blue economy include harvesting of living resources such as sea food and marine biotechnology, extraction of non-living resources (seabed mining), and generation of new resources (energy and fresh water).

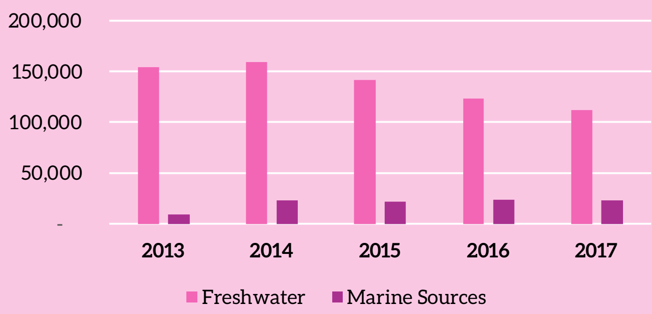
Kenya has proclaimed the 200 nautical miles (nm) Exclusive Economic Zone (EEZ) as provided for by the United Nations Convention on the Law of the Sea (UNCLOS) and has an ocean area of about 142,000 km2 as per the 200 nm EEZ limit. Kenya has further applied for an extra 150 nm EEZ extension for exploitation of bottom ocean bed resources. This makes a total ocean area of 245,000 km2 making Kenya a potentially significant maritime state.

> *The annual economic value of goods and services in the marine and coastal ecosystem in Kenya is estimated to be US$ 5 billion*

Sustainable Commercial fisheries and Aquaculture

Fisheries Sector is crucial for Kenya's Blue Economy in its potential to provide food security, livelihood and employment benefit while providing wealth to both businesses and government. Fisheries account for only about 0.5% of the Gross Domestic Product (GDP) and generate employment for over two million Kenyans through fishing, boat building, equipment repair, fish processing, and other ancillary activities. Kenya's full economic potential of marine fish resource has not been exploited as most of the landed fish is mainly from fresh water as shown in Figure 7

Figure 7: Quantities of Fish Landed 2013-2017



Source: Kenya National Bureau of Statistics

Almost 98% of the fish produced in Kenya originates from freshwater sources and the remaining 2% comes from the massive marine areas off the coast - posing risk of overfishing especially in Lake Victoria. The EEZ resources extend an opportunity for increasing landed fish capacity in a sustainable management regime.

There is great potential in Kenya for development of a vibrant commercial aquaculture industry, one which could produce critical volumes of fish to fill the growing gap in national fish supply as wild fish catches continue to decline, the population grows and demand for raw material for value addition continues. Despite this business opportunity, the following challenges affect aquaculture growth in Kenya:

01 Factors affecting Production

02 Factors affecting availability, cost or quality of inputs sourced for production

03 Factors affecting postharvest, value addition and marketing

04 Issues external to the Aquaculture Value Chain and affecting all stages of production

KEY INTERVENTIONS

- Establishment of Modern Fishing ports and Value Processing Zones in Shimoni, Kilifi, Lamu, Kisumu and Homa Bay
- Prevent, deter and eliminate illegal, unreported and unregulated (IUU) fishing on Kenya's territorial waters
- Improve efficiency in breeding technology, disease control, feeds and nutrition, and low-impact aquaculture production systems.
- Spatial planning and zoning can ensure that aquaculture operations stay within the surrounding ecosystem's carrying capacity and can also lessen conflicts over resource use.
- Give farmers incentives to practice sustainable aquaculture
- Mitigate aquaculture's environmental impacts by controlling the fish species farmed and level of production intensity

Tourism, Transport and Commerce

Tourism

Tourism within a blue economy approach reflects the sustainable development principles that support local economies and reduce poverty. Coastal and beach products require greater innovation to align customers' tastes to conservation efforts – such as marinas in basins or sheltered harbours that cater for small vessels and recreational boaters.

There's need for Kenya to enhance the expansion and development of marine parks, and activities such as scuba diving, surfing, snorkelling, sports fishing and beach sports. High-quality bathing & diving waters as well as pristine coastal and marine habitats have a high recreation value. The country should also consider strategically developing the Lake Victoria Basin with blue tourism activities to diversify and augment the current tourism product.

KEY INTERVENTIONS

- Develop sustainable 'blue' tourism development plans with both inter- and intra-generational equity
- Incentivise foreign and private investment to transform the tourism product, build and improve the current infrastructure
- Strategic development of Lake Victoria Basin as a blue tourism destination

Transport and Commerce

The maritime transport system in Kenya consists of one major seaport, Mombasa and other smaller scheduled ports along the Kenyan coastline i.e. Funzi, Vanga, Shimoni, Kilifi, Malindi, Lamu, Kiunga and Mtwapa. On the other hand, Kenya makes the least use of her portion of Lake Victoria, compared to Uganda and Tanzania despite considerable potential for the country to make use of the relatively low-cost inland water transport to promote trade with Uganda and Tanzania through the port of Kisumu. Greater use of inland waterways would facilitate both intra-regional trade and export trade

KEY INTERVENTIONS

- Encourage foreign investments and private sector participation in the transit, ports, roads, rails, pipelines and shipping sectors to improve the quality of infrastructure
- Invest in developing Kisumu port and Homa Bay port as key regional transport hubs on Lake Victoria

Ocean Energy & Mineral Resources Development

The blue economy approach vouches on opportunities that marine and deep sea-based natural resources offer – offshore energy and commercial deposits of valuable minerals; to achieve economic transformation.

Tidal Range and Stream Energy

The global potential of electric power generation from marine tidal currents is significant given that the oceans cover over 70% of the earth. Kenya has yet to explore and study this potential and seize the opportunity created by its promising, reliable, cyclic and predictive nature as well as the vast energy contained within her territorial waters.

The potential for energy extraction from rapid tidal currents in Mombasa is significant and is almost unlimited [9]. Assessments of the potential of the Indian Ocean tidal energy indicate that there is high tidal energy potential all the way from Djibouti to Madagascar, Kenya included.

Offshore Wind Power

Offshore wind represents one of the most potential energy sources along the Kenyan coastal line. Offshore wind costs between US$ 0.13 – 0.159/kWh, making it competitive in the class of ocean-energy technologies.[10]

[9] Onundo, L.P., Mwema, W.N. (2016) *International Science Index, Energy and Environmental Engineering Vol:10, No:7. waset.org/Publication/10007714.*

[10] *The Blue Economy. (2016).* United Nations Economic Commission for Africa.

Tourism, Transport and Commerce

Mangrove forests along the Kenya coast cover approximately 61,271 ha which offer a range of benefits and opportunities to both local and national economic development, improved livelihoods and provision of environmental goods and services such as habitat for fish and other wildlife, shoreline protection, and carbon sequestration. However, carbon stocks in mangroves of Kenya have been found to be 10 times higher than the average carbon content of terrestrial forests in the country. Consequently, degradation and conversions of mangroves would lead to large-scale carbon emissions hence the need to halt the current decline and restoring degraded areas of mangroves. The carbon that is captured by mangrove could also be accounted for and sold into the international carbon markets which is in line with the Kyoto Protocol that opens the door to trading in carbon emission reduction credits (CERs) through both compliant and voluntary carbon markets.

KEY INTERVENTIONS

» Development of national blue carbon action plans, outlining specific national circumstances, opportunities, needs and limits;

» Conducting national scientific carbon, ecological and socio-economic assessments of shallow coastal marine ecosystems;

» Conducting national cost-benefit analysis of including blue carbon activities into national climate change mitigation strategies, together with a description of the short and long-term benefits of carbon-related finance and activities in coastal areas

» Provide a legal framework that allows for integrated coastal carbon mitigation efforts to be pursued as part of national climate change mitigation efforts

» Develop policies to reduce threats/national drivers for deforestation, degradation and loss of coastal carbon ecosystems

1.6 DEVELOP AND INCREASE INVESTMENT IN SPORTS ECONOMY

Although the radix of the sports industry output value is quite small at present, especially comparing to developed countries, its focus during the Simba Era period cannot be over emphasized. The sports industry has a multiplier effect with other important national economic industries, and this relevance endows the growth of sports industry with the ability to pull the development of other industries. The multiplier effects of the sports economy are significant, positively informing activity in Manufacturing, sports education and training sector, media coverage and the hospitality industry. Development of Sports in Kenya can activate consumption, expand domestic demand as well as create employment.

Business Opportunities in Sports

01 *Goods & Services Conditional on doing Sport:*

- Health Services and Occupational Services (Sports Medicine)
- Hotels & Restaurants (Sports Tourism)
- Sports Betting
- Dietary Supplements

02 *Doing Sports:*

- Sports Academies
- Training Grounds
- Gymnasiums
- Swimming Pools
- Stadiums
- Fitness Centres

03 *Goods & Services necessary to do Sports:*

- Education (Sports Curriculum)
- Sports clothing and apparel
- Sports shoes
- Sports Equipment
- Sport Cars & Motorbikes
- Racing horses

Sport is a relatively labour-intensive industry. This means that the expected growth in the sport industry is likely to lead to additional employment, with sport's share of total employment being higher than its share of value added. Data from other countries indicates how large this sector of the economy can be; a 2012 report by the EU found that as of 2005, value added by the sports-related sector was up to Sh21.2 trillion (173.86 billion euros) and the direct effects of sport, combined with its multiplier effects, added up to Sh36 trillion (294.36 billion euros) in the EU.

KEY INTERVENTIONS

- professionalize more sports events, including setting up professional sports leagues, improving corporate governance structure of sports clubs and establishment of a modern enterprise system in the sports sector;
- provide financial support and form a policy system that is conducive to the sports market's rapid growth by eliminating industrial, policy and regulatory barriers, such as complex administrative approval procedures;
- formulate and implement policies to protect the business interests and the intellectual property rights of sports enterprises, who are encouraged to increase their profits from advertisements and sponsorships;
- enable more citizens to participate in sports by requiring devolved governments to incorporate public expenditure on sports into their annual fiscal budgets;
- formulate and implement policies to introduce private capital into the sports sector via listing or bond issuance by qualified enterprises;
- encourage social capital to invest in the construction of sports facilities and the supply of sports-related products and services;
- encourage foreign capital investment in the domestic sports industry.

THEMATIC AREA 02

Exports Development and Easy Access to Global Markets

Over 70% of total exports are destined to only 15 countries globally, whereas trade with other African trading blocs outside EAC and COMESA stands at 12.6%.

The Kenyan economy has the potential to achieve the objective of Vision 2030 growth trajectory of 10% per year in the medium term. To achieve this, private sector investments and exports of goods & services are expected to be the key drivers. The exploitation of new markets beyond the region is imperative as this would eventually boost the development of industries in the priority sectors in Kenya. The newly created Continental Free Trade Area (CFTA) opens the way to develop integrated regional value chains in Agriculture, Manufacturing and Services. The CFTA will not only help harmonize trade policies among member states in various regional economic blocs but also establish industrial linkages.

Kenya has a persistent balance of trade deficit, given that the value of total imports is about three times that of total exports. The bulk of exports are raw materials and primary products, while the imports are high value capital and finished products. The EAC is the leading export destination for Kenya, accounting for 21% of total exports. Uganda has been the leading destination for Kenyan exports followed by Tanzania, Rwanda and Burundi. Nonetheless, Kenya's trade surplus in EAC has been gradually declining since 2011 due to strengthening of the manufacturing sector in partner states, and increased competition from imports from India and China into the region. Kenya has also maintained a positive trade balance in COMESA, with the Democratic Republic of Congo, South Sudan and Egypt being the leading export markets. The export products to regional markets have mostly been processed and semi-processed products. However, there is huge potential to enhance value addition and the backward and forward linkages of various industrial sectors within the regional trading blocs.

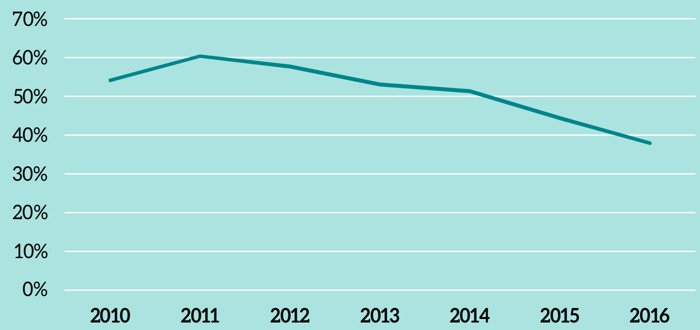
The low and declining shares of the manufacturing, industrial and exporting sectors in GDP constitute a key challenge. Between 2011 and 2015 the share of the manufacturing sector in the economy declined by 1.5 percentage point from 12% to 10%, while over the same period, the share of exports of goods and services declined from 22% to 16% [11]. These figures highlight the need to put in place measures to effect structural transformation towards a manufacturing and export led economy in line with Kenya's long-term development blue print Vision 2030. Furthermore, dumping of cheap counterfeit and contraband goods, high cost of power and low level of technology absorption by SMEs pose a key challenge to growth of manufacturing and industry sector. Meanwhile, MSMEs play a critical role in cross-border trading through activities of Informal Cross Border Traders, and a simplified trade regime being implemented under the East African Community (EAC) and Common Market for Eastern and Southern Africa (COMESA) programme aimed at enhancing facilitation.

[11] Government of Kenya. *Concept Note on the Medium-Term Plan 2018-2022.* *http://www.mtp3.go.ke/portal/data/apis/uploads/site/downloads/CONCEPT%20NOTE%20MTP3.pdf*

2.1 INCREASE EXPORTS BY AT LEAST 80%

International Trade has been identified in the Vision 2030 Economic Pillar and the Medium-Term plan as a key driver towards attainment of the sustained GDP growth rate of 10% per annum to the year 2030. The Export sector is expected to contribute towards delivery on macroeconomic goals through sustained export growth and contribution to the GDP by accelerated developments in the export allied sectors; Kenya's export markets are relatively concentrated and in need of diversification. Trade as a percentage of GDP has been declining over the years as shown in Figure 8.

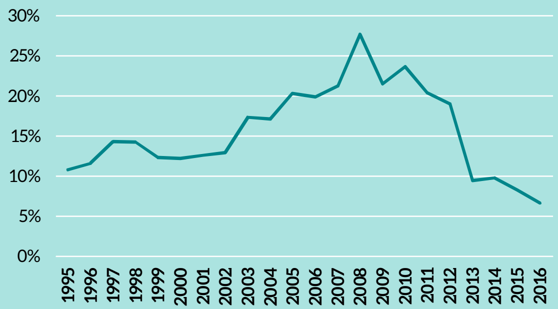
Figure 8: Trade (% of GDP) 2010-2016



Source: Kenya National Bureau of Statistics

Further, the performance of exports in relation to GDP growth has also declined over time.

Figure 9: Exports (% of GDP) 2010-2016



Source: Kenya National Bureau of Statistics

KEY INTERVENTIONS

- Implement the National Export Development and Promotion Strategy (NEDPS)
- Strategically expand the scope of export product through value addition or processing
- Strengthen bilateral engagements with other regional/African markets such as in SADC and ECOWAS
- Expand technical, vocational and entrepreneurial training designed to offer artisan, craftsmanship, technician, technologist and engineering training for industry through Technical and Vocational, Education and Training (TVET) reforms

2.2 MARKET ENTRY AND INTERNATIONAL BUSINESS EXPANSION

...opening up African air routes through the Single African Air Transport Market (SAATM) will add $77 million (KES 8 Billion) to the Kenya's GDP annually

Expand trade within the African Region by 100% by 2022

The Continental Free Trade Area (AfCFTA) treaty aims to boost intra-African trade by making Africa a single market of 1.2 billion people and a cumulative GDP over $3.4 trillion. The UN Economic Commission for Africa (UNECA) estimates that the implementation of the agreement could increase intra-African trade by 52% by 2022 (compared with trade levels in 2010) and double the share of intra-African trade (currently around 13% of Africa's exports) by the start of the next decade.

Kenya being one of the initial countries to ratify the AfCTA treaty, is poised to gain from this opportunity. The African region is an important region for Kenya to chart out key market entry strategies for all the fifty-three (53) countries; ranging from Direct / Indirect Exports, Brownfield Investments (Mergers & Acquisitions, Greenfield Investments, to Kenyan businesses owning Foreign Branches and Subsidiaries throughout the continent.

One of the major impediments of intra-Africa trade is the prohibitive cost of transport that curtails movement of people and goods. It is estimated that transport costs in Africa are 50-175% more than the developed world. There is need for Kenya to play a leading role in ensuring that major transport corridors are developed to facilitate trade and movement of Kenyan goods to those countries. Non-tariff barriers (NTBs) remain major impediments to trade and business development in Africa. NTBs affecting intra-African trade include non-harmonized technical regulations, sanitary and phytosanitary requirements, customs procedures and documentation, rules of origin, and police road blocks.

Nevertheless, the opening up of African air routes through the Single African Air Transport Market (SAATM) will add $77 million (KES 8 Billion) to the Kenya's GDP annually while giving the national carrier, Kenya Airways unfettered access and multiple destinations to any city in the countries under the arrangement. Kenya Airways destinations should synchronise with trade routes to increase export of Kenyan goods, movement of human capital and create the initial contact for market access in terms of eventual foreign investment by Kenyan companies.

KEY INTERVENTIONS

- Elimination of Non-tariff barriers (NTBs) in EAC partner states and the COMESA Region and the Tripartite Free Trade Area (TFTA) comprising of EAC, COMESA and SADC
- Focus on advocating for transport corridors that will promote trade ties with African Nations starting with:
  - Completion of the Lamu Port – South Sudan – Ethiopia Transport Corridor (LAPSSET)
  - Completion of Mombasa – Lagos – Dakar Trans African Highway
- Conduct Market Surveys and establish trade routes in all Kenya Airways destinations in Africa.
- Implement trade support for companies intending to trade with other African countries such as access to capital and tax benefits.

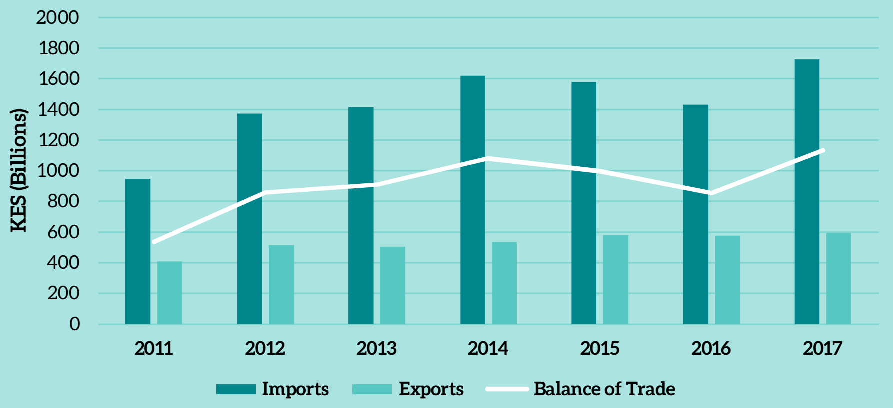
"Europe and Asia account for 25% and 24% of the total exports from Kenya

Grow trade with the rest of the World by more than 40% by 2022

Agricultural products are central to Kenya's export industry with horticultural and tea being the most important. Other export items include textiles, coffee, tobacco, iron and steel products, petroleum products, cement. Kenya main exports partners are UK, Netherlands, Uganda, Tanzania, United States and Pakistan. Kenya imports mostly machinery and transportation equipment, petroleum products, motor vehicles, iron and steel, resins and plastics. Kenya main import partners are India, China, UAE, South Africa, Saudi Arabia, United States and Japan.

Currently, Europe and Asia account for 25 and 24 per cent of the total exports from Kenya, with European Union (EU) and the Far East accounting for 21 per cent and 16 per cent, respectively[12]. On the hand, the main source of imports is Asia accounting for 67 per cent with China accounting for 53 per cent of the total imports largely due to infrastructural development.

Figure 10: Balance of Trade, 2011 – 2017



Source: Kenya National Bureau of Statistics

[12] Economic Survey 2017. Kenya National Bureau of Statistics.

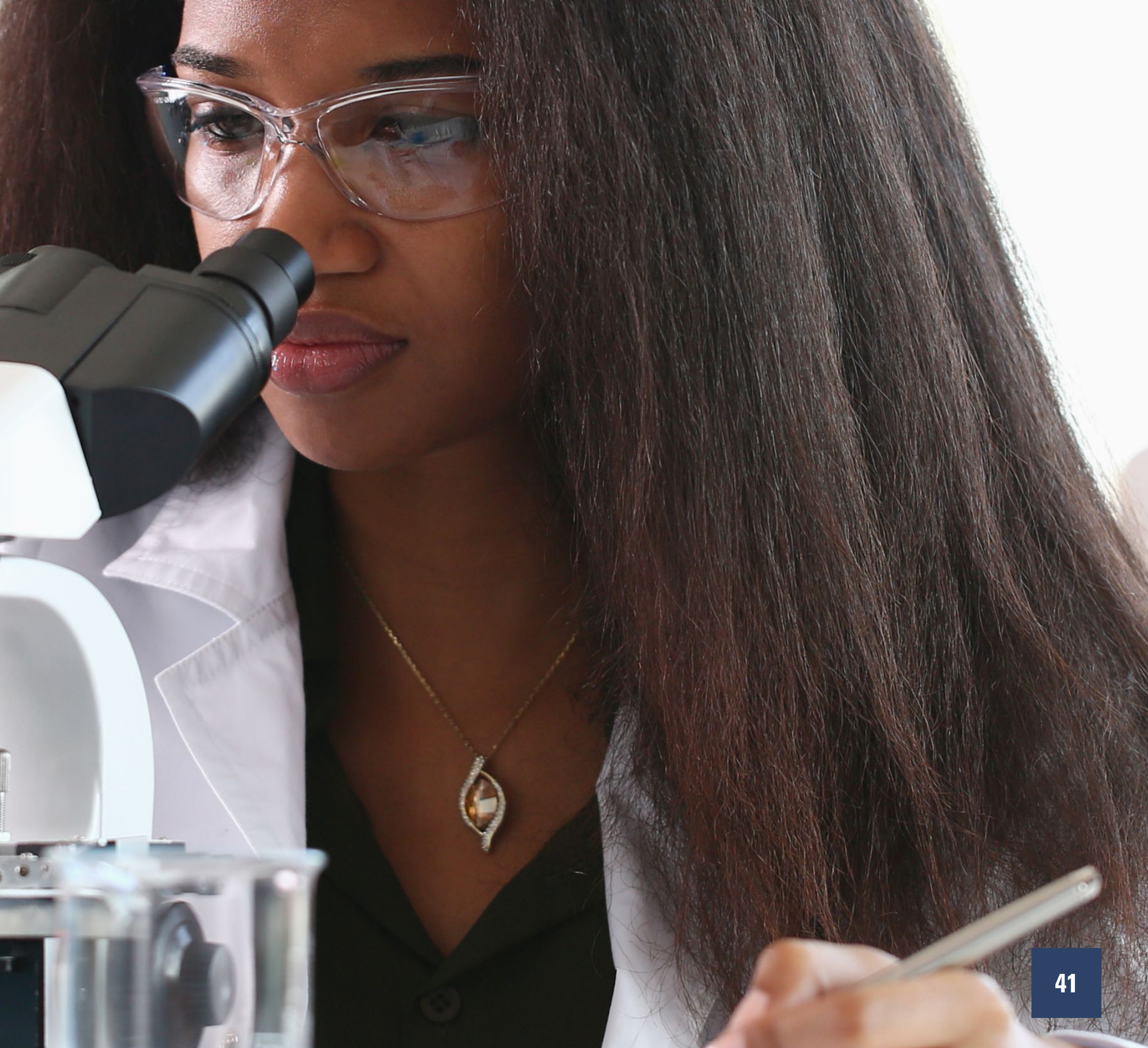
One key challenge that must be tackled in the 2018-2022 period is the Balance of Trade deficit that is apparent with almost all Kenya's main trading partners. To bridge the deficit, the following need to be implemented:

KEY INTERVENTIONS

- Establish a National Trade Commission to support the implementation of the National Trade Policy and coordinate bilateral, regional and multilateral trade issues.
- Incorporating KEPSA Members in Government's trade missions
- Kenyan Missions in Africa to play an active role in ensuring expansion of Kenyan Businesses across borders
- KEPSA outbound Trade missions and forming global partnerships
- Establishment of the EXIM Bank
- Optimisation of the African Trade Insurance Agency (ATIA)
- Grow new export markets through Reverse Trade Missions
- Enhance SMEs capacity to engage in foreign trade
- Connect SMEs with International Markets

THEMATIC AREA 03

Fostering Research, Innovation and Creativity



In Japan and Korea, Private Businesses contribute 74% and 75% respectively of GERD.

Several emerging economies – China in particular – have become significant actors in the global innovation system. There is evidence that R&D played a key role in the take-off of Asian economies such as China, India and Korea. What is more, many emerging economies have industries or firms that are at the technology frontier and need to innovate to compete. Kenya currently spends less than 0.5% of GDP on Research and innovation[13]. Further, the sources of Gross Expenditure on R&D (GERD) in Kenya was largely from abroad at 52%, whereas the Government, universities and Businesses contributed 26%, 18%, 4% respectively.

The Nairobi International Financial Capital will therefore create an opportunity to source capital by businesses to drive innovation. Concomitantly, the Private Sector must undertake to increase their contribution to R&D and Innovation.

3.1 GLOBAL VALUE CHAIN INNOVATION

Investment in improved transport, information technology and financial services allow service providers to play a bigger role in global value chain networks. The growth in offshore services means firms have become increasingly reliant on efficient logistics. This includes multi-modal transport, freight and cargo handling, storage and warehousing as well as supply-chain management. Employment and income statistics show that the primary sector has played a role in economic diversification and unlocking opportunities for global value chains.

[13] UNESCO. *Global Investment in R&D 2016*

In Kenya, however, national and regional comparative advantages can be found in low-tech activities. Agricultural produce can create value chains - these activities are smallholder based and labour intensive; upgraded technology is needed however. Regional mobilisation could create sizeable markets and innovative policies are needed to strengthen indigenous smallholder activities that could grow into the medium-sized enterprises that are needed to fill the gap between multinational corporations and smallholder enterprises. Over-reliance on external investors, foreign technology and capacity has limited the expansion of global value chains.

The growing upstream and downstream interconnections within Global Value Chains (GVC) make countries more interdependent: one country's exports increasingly embody the technology, labour and capital of other countries from which intermediate goods are imported; imports increasingly reflect tasks which complement, rather than substitute for, domestic production; the offshoring of a production stage which can be performed more efficiently abroad makes domestic activities more competitive. Kenya can therefore improve its innovation capacity to take advantage of these GVCs at a higher Value level through processes such as reverse engineering.

To strengthen the benefits Kenya can obtain from participating in GVCs, the government will need to support the upgrading process by strengthening the business environment, supporting investment in knowledge assets such as R&D and design, and fostering the development of important economic competencies, notably skills and management. Nairobi is a key African city with strong international connections and therefore has the potential of harnessing the benefits of inward investment projects in R&D and innovations.

KEY INTERVENTIONS

» Promote international flows of talent and scientific collaboration

» Develop the missing “soft skills” needed to operate in a global system of knowledge networks and co-invent across borders.

» Promote innovation for/by low- and middle-income households to improve welfare and access to business opportunities

» Build-up niche competencies i.e. growth/ exports in sectors of comparative advantage

» Operationalisation of Konza City

3.2 ENHANCE INNOVATIONS THROUGH SCIENTIFIC RESEARCH

Kenya's economic growth depends on its capacity to educate, innovate, and build. Long-term national investments in basic and applied research and development (R&D) play an important role in the flow of market-based innovations through a complex system that leverages the combined talents of scientists and engineers, entrepreneurs, business managers and industrialists.

KEY INTERVENTIONS

- Increase Public and Private Investments in R&D, science infrastructure, and industrial innovation to at least 5% of GDP and work together with Government to develop a roadmap to achieve this.
- Accelerate the development and commercialisation of new technologies
- Strengthen the linkage between tertiary education, research organizations' and industry.
- Establish Industry–University Research Centres (IURC) to facilitate partnerships between scientific researchers from both industry and academia for innovation
- Regulatory framework that supports innovation and Technology adoption.
- Establishment of Innovation hubs / Centres/ Institutes by Public and Private Sectors linked to Kenya'

3.3 THE CREATIVE ECONOMY

Creative economy leverages creativity, technology, culture and innovation in fostering inclusive and sustained economic growth and development. According to the Kenya Copyright's Board, the creative sector economy, generates 5% of the national GDP and has the capacity to contribute up to 10% of the national GDP by the year 2022, contributing to job creation and sustainable livelihoods.

The creative economy is an important part of global trade. The global market for traded creative goods and services totalled $547 billion in 2012 and has been growing at an average of 8% per annum [14].

Kenya is trading in an increasingly competitive marketplace, both in the region and globally, and must take strategic actions to establish a dynamic framework for the sustainable growth of local creative industries: build market-oriented educational institutions to inspire and equip the next generation of talent, help creative businesses to start-up and grow, and maintain Kenya's competitiveness against other regional and international markets.

KEY INTERVENTIONS

- Properly compensate for creativity and create an ecosystem that promotes talent exploitation;
- Create growth engines to pioneer new markets and new industries;
- Harmonise the creative economy innovation capacity with science, technology and ICT
- Easing regulations to stimulate investment in the creative economy
- Consider PPP for the creative economy
- Implement a framework for innovative financial products that will facilitate access to capital for the creative economy

[14] UNCTAD. *International Trade in Creative Goods 2015*

CHAPTER 04

Key Enablers


NBA III
DEMOGRAPHIC DIVIDEND
INFRASTRUCTURE
LAND HOLDING, USE & MANAGEMENT
GOVERNANCE
BUSINESS & BIODIVERSITY

4.1 GOVERNANCE

Economic Crimes

Kenya's competitiveness is largely affected by high corruption levels that have permeated almost every sector of the economy, leading to increased cost of doing business. In addition, misappropriation, counterfeit products and tax evasion hinder Kenya's long-term economic growth.

According to the Global Economic Crime Survey 2016[15], Kenya is generally higher than both the African and global average indicating a higher propensity to economic crimes than most countries. The top five (5) economic crimes likely to occur in Kenya are:

	ASSET MISAPPROPRIATION	BRIBERY AND CORRUPTION	PROCUREMENT FRAUD	ACCOUNTING FRAUD	HUMAN RESOURCE FRAUD
	72%	47%	37%	33%	18%
	69%	35%	34%	27%	20%
	64%	24%	23%	18%	20%

KEY INTERVENTIONS

- Intensify the war against corruption and other economic crimes
- Reduce vulnerability to corrupt insiders in critical sectors (immigration, prisons, policing, judiciary, public prosecution and defence)
- Strengthen law enforcement, prosecutorial and criminal justice action
- Strengthen public-private dialogue for information sharing and targeting of those who pose greatest risk
- Enhance greater procurement transparency, enabling better identification and mitigation of corruption risks
- Work with other countries to combat corruption

[15] PWC. (2016). *Global Economic Crime Survey 2016: Kenya Report*

Security & Crime Prevention

General Security

Security of life, business and property is a fundamental component for ensuring the widest possible participation in economic development of any country. Insecurity therefore imposes direct and indirect costs on businesses and individuals. The comparative analysis of security as a component of business competitiveness ranking out of 137 countries is as follows:

Table 2 : Global Competitive Index 2017/18

	KENYA	TANZANIA	UGANDA	RWANDA	BURUNDI	ETHIOPIA
Business cost of Terrorism	134	91	123	20	106	107
Business cost of crime & violence	123	97	115	7	106	76
Organised crime	120	73	112	11	118	84
Reliability of Police Services	90	70	96	13	121	92

In addition, Kenya was ranked 125 out of 127 in the World Internal Security Police Index (WISPI) [16].

KEY INTERVENTIONS

- Implement the Ransley's Report Recommendations
- Digitisation of Police records and adoption of Blockchain Technology
- Improve Kenya's WISPI ranking

[16] World Internal Security and Police Index (WISPI) http://www.ipsa-police.org/images/uploaded/Pdf%20file/WISPI%20Report.pdf

Cyber Security

All companies must protect their information resources through a security process that includes: defensive tools, corporate policies, security awareness, security testing, and monitoring. Security is a challenging corporate function for every business to ensure safety, privacy, and confidentiality. Information Security must be effective in every company to prevent embarrassing accidental and /or even intentional losses of data.

Kenya ranked 45th out of 165 Countries in the Global Cyber Security Index 2017[17].

KEY INTERVENTIONS

- Operationalisation of the Computer & Cyber Crimes Act.
- Improve to top 20 in the Global Cyber Security Index ranking

Devolution

Generally, County governments have adopted the Government Finance Statistics (GFS) standard of budget reporting – Classification of Functions of Government (COFOG), which allows transactions to be tracked through the budget's formulation, execution and reporting cycle according to administrative unit, economic category, function, or programme.

Existing gaps in this system include a weak macroeconomic forecasting capacity; lack of consistency of Mid-Term Expenditure Framework (MTEF) budgets; low absorption of development expenditures, which is largely hampered by inadequate technical capacities to prepare bill of quantities (BQs) and supervising projects; weak capacities to carry out economic analysis of investment projects to identify the costs and benefits of every investment proposal; and weak internal audit systems because of low staffing levels and skills. In addition, the focus of the internal audit is mainly on compliance and regulatory issues and is not yet developed to provide full oversight (of all budget users) of the effectiveness of the internal control system.

[17] International Telecommunications Union. Global Cyber Security Index 2017. https://www.itu.int/dms_pub/itu-d/opb/str/D-STR-GCI.01-2017-PDF-E.pdf

The external audit and scrutiny by the legislature do not hold the County Governments accountable for their fiscal and expenditure policies and their implementation as currently undertaken. The public finances are independently reviewed by the Office of the Auditor General (OAG) but the external follow-up on the implementation of recommendations for improvement by the executive is not efficient with long delays in issuance and scrutiny of audit reports. The delays are quite often occasioned by low staff levels at the OAG as well as the back and forth between the OAG and the counties in correction of errors identified in the submitted financial statements. The scrutiny by the county assemblies, the Senate and National Assembly seldom result in corrective actions by the executive, nor is their work transparent to the public. Thus, the external audit is not effective to enable adjustments and corrections in the PFM system.

KEY INTERVENTIONS

» Strengthen the Governance, Audit and Risk Systems of the GFS

» Fast tracking the enactment of the County Government (Tax Regulations) (Draft) Bill 2016 that seeks to address double taxation and multiplicity of charges across the counties (both taxes and harmonization of laws);

» Finalization of the County Own Source Revenue Enhancement Policy targeted to address conflicting regulations;

» Aligning the existing policy, legal and regulatory framework governing devolved, concurrent and residual functions to the Constitution 2010 and devolved government system;

» Finalise unbundling and transfer of functions of the National and the County Governments including parastatals and regional bodies with the goal of eliminating duplication of functions affecting ease of doing business.

Corporate Governance

Both the Public and Private Sector need to abide by principles of Corporate Governance to improve the investment climate of the Country. Governance, Risk and Compliance Systems need to be adopted by Corporate Kenya.

KEY INTERVENTIONS

- Adherence to the Mwongozo guidelines by Public Sector
- Private Sector Members to sign and conform to the Global Compact Network Kenya (GCNK) Business Code of Conduct

4.2 LAND HOLDING, USE & MANAGEMENT

Land is Kenya's primary resource and a basis of livelihoods for the people and businesses in the country. Land and Registration of Properties are major impediments in the investment climate of Kenya. The ease with which the land transactions will be conducted by the government will affect heavily on the realization of the Big Four project especially on the Affordable Housing, Manufacturing and Food Security.

KEY INTERVENTIONS

- Implement the National Land Information Management System (NLIMS) and Kenya National Spatial Data Infrastructure (KNSDI).
- Development of County Spatial Plans as per agreed national guidelines and implementation of Kenya National Spatial Plan.
- Implementation of the National Land Use Policy. Was Launched on June 2018
- Digitisation of the Land Registry
- Fast track the enactment of the Land Valuation Index Bill
- Fast track the Physical Planning Bill
- Enforce development control

4.3 INFRASTRUCTURE DEVELOPMENT

Roads, Ports and Rail

The Kenyan construction sector was valued at USD 3.53 billion in 2015. The sector is expected to grow at an average compound annual growth rate of 6.8% to 2020 driven by Port, rail and housing projects. Kenya has a deficit of 350,000 square metres commercial office space and the demand is expected to rise over the next 5 years.

Road transport constitutes about 80% of the total internal freight and passenger traffic in Kenya. Neighbouring landlocked countries utilise Kenya's road network as it is the gateway through which goods are transported from the Mombasa port. Kenya's road network is about 160,886 km long, of which only 14,000 km is paved. The country's roads are severely overstretched and traffic jams are heavy especially in urban areas. It costs Nairobi county ~USD 580 000 daily in resultant inefficiency costs.

The potential for Kenya to remain a central infrastructure service hub for the EAC region and beyond is high. The region depends on Kenya's infrastructure cutting across transport (air, rail road, port), energy and ICT.

KEY INTERVENTIONS

- Promote sustainable infrastructure services for public transport and networks including non-motorized transport systems in both Urban and rural areas
- Implement the Integrated National Transport Policy (INTP)
- Operationalise Meter Gauge Railway to facilitate last mile connections
- Fast-track the expansion, modernisation and maintenance of Roads and ICT Networks
- Expedite the Bus Rapid Transit System, Traffic Management centre and Installation of the Intelligent Transport System (ITS); Masterplan of the roll out / phase out needed
- Lease Operations of Small ports (Sea Ports and Airports) to the Private Sector for Commercialisation
- Ratify the Open Skies Agreement
- Reduce the NCA levy to 0.25%

"

There's an estimated accumulated housing deficit of over 2 million units, and nearly 61 percent of urban households live in slums.

Invest in Housing

Kenya is missing a major opportunity for job creation and economic growth to formalize the housing industry and encourage it to better serve low income households. National and county governments could collaborate to create a productive cycle of savings and growth by fostering increased construction and financing of affordable housing.

Kenya's first medium term plan (MTP I, 2009-2012) of the Vision 2030 strategy had an initial target of providing 200,000 housing units annually for all income levels by 2012; but fell significantly short of this projection (only 3,000 units were provided between 2009 and 2012). The second medium term plan for 2013-17 has a similar target of housing units, particularly focused on lower income households. Kenya's urban population is growing at a rate of 4.4% per year, compared to 3.6% across Sub-Saharan Africa.

Unlocking the residential housing market through the development of the housing finance market can provide a wide range of income opportunities through the construction sector and related industries as evidenced in Colombia, India, and South Africa. In Colombia it is estimated that 5 additional jobs are added for every US$10,000 spent on housing construction. In India, each housing unit creates 1.5 direct and 8 indirect jobs; in South Africa, each housing unit creates 5.62 jobs for every housing unit.

KEY INTERVENTIONS

- Invest in Social Housing and Other Affordable Housing Programmes
- Lower the cost of accessing Mortgage Financing
- Facilitate innovative financial products for home ownership
- Establishment of One Stop Shop where all the approvals for affordable housing projects can be done
- Fast track the enactment of Sectional Property Bill
- Fast track the enactment of Built Environment bill 2012 and National Building Regulations
- Development and Implementation of Urban Integrated Development Plans, and Physical Development.
- Use of alternative construction materials and technologies.

Energy

The energy sector contributed 9.1% to GDP in 2016 [18]. The sector has a bearing to industry and export market since the cost of energy is a critical component in industry and transport. Lower costs of electricity promote manufacturing by reducing operational costs and enabling production.

Similarly, low costs of petroleum products can potentially boost transport services by reducing the component of transport costs in the cost of production. Therefore, energy security requires enough generation capacity at affordable prices to support industrialization. Industrial Cost of Electricity in Kenya is US$ 0.15 per kilowatt of electricity compared to Ethiopia, Egypt, Uganda and Tanzania at US$ 0.04, US$ 0.06, US$ 0.12, and US$ 0.09 respectively. [19]

[18] KNBS. Economic Survey 2017
[19] KIPPRA. Kenya Economic Report 2017

Energy is one of the infrastructural enablers for agricultural growth. The level and intensity of commercial energy use in the agricultural sector is a key indicator of the degree of economic growth and development. Programmes aimed at promoting alternative sources of energy such as solar, wind, biogas, geothermal, woodlots and hydropower will be encouraged. Emerging sources of energy such as biofuels should be promoted through investment in research and careful planning in line with the national strategy guiding production of biofuels. For northern Kenya and other arid lands, emphasis will be on exploiting solar and wind energy with individual and isolated production points being used to reduce the cost of connecting a grid to the dispersed settlements.

KEY INTERVENTIONS

- Implement Competitive Purchasing of Energy (Auction)
- Enact legislation / policy on Bio fuels
- Roll out new transmission lines and upgrade earmarked lines
- Reform the Distribution System to ensure quality and reliability
- Enact and Implement the Energy Bill
- Enact and Implement the Petroleum Bill

ICT

The rapid diffusion and continuous development of Internet technologies have dramatically transformed many features of commerce and daily life. These Internet technologies enable consumers to search for information and purchase goods and services through direct interaction with the online store. The expansion of ICT in Kenya has in recent years contributed to economic growth and has transformed society. It has spurred the economy by offering services through online platforms in; the provision of government services, business and e-commerce, research and transfer of knowledge, among others.

Investment in the National Optic Fibre Backbone Infrastructure (NOFBI) across the country, with the aim of increasing cost-effective access to internet services. These developments led to the value of ICT output increasing by 10.9 % to KES 345.1 Billion in 2017.[20] Growth of the ICT Sector during the NBA II period was as shown on table 3:

[20] Kenya National Bureau of Statistics. *Economic Survey 2018*

Table 3 : ICT Sector 2013-2017 (Amounts in KES Millions)

	VALUE OF OUTPUT	INTERMEDIATE CONSUMPTION	VALUE ADDED
2013	228,405.0	159,928.0	68,478.0
2014	259,000.0	193,408.0	65,592.0
2015	280,434.0	219,948.8	60,485.0
2015	311,221.4	207,414.4	103,806.9
2016	345,067.6	235,679.3	109,388.3

E-Commerce & M-Commerce

E-commerce is currently estimated at 0.5% of all trade in Kenya. However, it is expected to see considerable increase during the implementation of the NBA-III (2018-2022). Facilitative infrastructure is therefore necessary – legislation, a reliable map/ address system for delivery of goods and identifications systems.

Mobile commerce transactions grew by over 85 per cent from KES 1.8 trillion in 2016 to KES 3.2 trillion in 2017. Total mobile money transfers increased by more than 8 per cent from KES 3,356 billion in 2016 to KES 3,638 billion in 2017.[21]

Blockchain

Blockchain shows the potential to enhance transparency and reduce long-standing inefficiencies and costs within multiple sectors of the Kenyan economy. From enabling micropayment systems to digital identity management to smart contracts, blockchain-based solutions can leapfrog traditional or non-existent technology infrastructures and drive a new era of more inclusive growth.

Potential areas of Blockchain / Distributed Ledger Technology are in Healthcare, Banking, Insurance, Trade, Transport, Land, Judiciary, Security, Agriculture, Government registries and Education among others. Blockchain Technology is designed to eliminate brokers and middlemen; therefore, the Government and Business Community can gain from the disintermediation advantage.

[21] Kenya National Bureau of Statistics. *Economic Survey 2018*

Artificial Intelligence (AI)

Thoughtful planning can leverage AI as a tool to help grow the Kenya's economy through harnessing of Human Capital and productivity. Economic development depends on increasing worker productivity. In Kenya, where capital is scarce, but ideas are abundant, process automation can enable businesses to run on leaner models. Moreover, rather than displacing employees, machines can empower low-skilled workers and equip them to take on more-complex responsibilities. This, in turn, can help meet an urgent need for countries lacking widespread access to education and skills training.

KEY INTERVENTIONS

- Establish Kenya as a Blockchain Innovation and AI epicentre
- Lower Prices for Data to below 5% of Minimum Wage
- Classify ICT as a public utility with a dedicated and /or shared infrastructure alongside power, water and sewer
- Reduce vulnerability risks due to vandalism exposing ICT Network service providers through enactment of The Critical Infrastructure Protection Bill

4.4 DEMOGRAPHIC DIVIDENDS

Currently, Kenya has a population of approximately 48.5 million, an annual population growth rate of 2.6%, and 41% of Kenya's population is under the age of 15. The Total Fertility Rate, or the average number of children per woman over the course of her lifetime, has declined from 6.1 children in 1990 to 4.4 children per woman in currently. This shows that Kenya is on the path to a population age structure that may enable it to experience a demographic dividend.

The economic prosperity and functioning of any nation depends on human capital stock. In general terms, human capital represents the investment people make in themselves that enhance their economic productivity. Kenya must continue to invest in the following areas for the country to reap the impending demographic dividend:

01 *Education and Training*

02 *Universal healthcare*

03 *Women in Business*

Education and Training

The provision of formal education is seen as a productive investment in human capital. Human capital formation through education spending was demonstrably linked to future growth. Investments in education are expected to generate a skilled workforce, which raises people's incomes and improves economic development. Beyond 2018, strategic focus must be on increasing secondary school completion rates, especially for girls, and providing high-quality education and training to meet the needs of the changing labor market.

KEY INTERVENTIONS

» Implement strategies to reduce dropouts and increase secondary completion rates.

» Re-establish mid-level colleges to prepare workers with necessary technical skills in addition to those of university-educated workers.

» Reduce the barriers and costs of tertiary education and put educational programs in place that prepare students for the twenty-first century labor force

The expected outcome of the above strategies is:

- Increase educational attainment for at least 90% of all children to 18 years by 2022.
- Eliminate the gender gap in education.
- Increase women's participation in the formal labor force.
- Raise incomes at the household level.

Universal Health Coverage (UHC)

Universal health coverage (UHC)—the availability of quality, affordable health services for all when needed without financial impoverishment—can be a vehicle for improving equity, health outcomes, and financial wellbeing. The political commitment to the concept of UHC has been articulated in the Mid-Term Expenditure Framework (MTEF).

UHC will benefit the Kenyan economy by stimulating GDP growth (through a productive workforce), facilitating educational gains (healthier children learn better), empowering women and reducing poverty associated with health costs. UHC protects households from impoverishing financial risks. A 10-year evaluation of Thailand's Universal Coverage programme found that the incidence of people falling below the poverty line due to health costs was reduced by two thirds.[22]

KEPSA's position on implementation of UHC is based on the adoption of three key principles:

01 *Focus on pro-poor universalism from the start (i.e., ensure that poor people are covered as the first priority on the road to covering the entire population)*

02 *Provide adequate financial protection and benefit package for the poor & vulnerable*

03 *Strengthen the health service delivery system to be accessible by all, especially poor and vulnerable individuals. In particular, functioning primary health care is a cornerstone of UHC*

[22] Health Insurance System Research Office. *Thailand's Universal Coverage Scheme: Achievement and Challenges. An independent assessment of the First 10 years (2001-2010).* Nonthaburi: Health Insurance System Research Office, 2012.

KEY INTERVENTIONS

- Strengthen multi-stakeholder policy dialogue and coordination of health systems strengthening efforts
- Develop and enhance leadership capacity at the County and Facility levels
- Collaborate efforts to enhancing Primary Healthcare through Leasing Level 2 and 3 facilities through Public Private Partnerships (PPP)
- Introduce a Comprehensive License for ease of doing business in health
- Introduce Group license for Networked Healthcare Providers
- Undertake a tertiary Hospital Strategy / feasibility study that will ensure a coordinated distribution of specializations and quality and efficient care at the highest referral levels.
- Formation of the Health Benefits Regulatory Authority
- Revamp Mathari & Spinal Injury National Referral Hospitals
- Create a Health Professionals Oversight Authority
- Enforce the Health Sector Norms & Standards
- Increase the Health Worker to Population Ratio
- Revise criteria for accreditation of Training Institutions at county and national levels, including the standardisation and quality of curriculums.

Women in Business

According to the World Economic Forum (WEF), empowering women to participate equally in the global economy could add $28 trillion in GDP growth by 2025. The development and deployment of female human capital is a critical element of Kenyan economic growth and social inclusion. The marginal gender gains from education have seen more highly educated women enter the workforce. Nonetheless, the economy can only fully utilize their talent if there is a corresponding narrowing of the economic gender gap. The progress made in addressing the education gender gap should therefore provide a basis for narrowing the employment gender gaps.

Lowering the barriers faced by women entrepreneurs, and helping more businesswomen to connect to local and international value chains, would bolster growth and inclusion. It would create more – and better-paying – jobs for women, not least since women-owned firms hire more women, especially at senior levels. This is an essential ingredient in optimising the demographic dividend.

4.5 BUSINESS AND BIODIVERSITY

For Kenya to remain globally competitive, deliberate efforts to manage and sustain the environment and natural resource base are paramount. The country subsistence and national economies, foreign exchange and significant contribution to GDP depend on agriculture and agro-based industries, tourism, water resources and hydropower. Nonetheless, Kenya is facing many environment challenges that include deforestation, soil erosion, and land degradation, desertification, and loss of biodiversity, water scarcity and pollution from industry.

KEPSA members recognise that environmental sustainability is about making responsible decisions that will reduce business' negative impact on the environment. This will be done not by simply reducing the amount of waste produced or using less energy, but it shall be concerned with developing processes and system that will lead to businesses becoming completely sustainable in the future.

NBA-III aims to ensure a clean, secure and sustainable environment by providing a framework for re-orienting businesses towards a low carbon development pathway that aims to create climate-proof socioeconomic development anchored on a low carbon path.

KEY INTERVENTIONS

- Develop a KEPSA-led Business Biodiversity Action plan
- Ensure that all KEPSA members implement the Business Biodiversity Action Plan
- All meetings – MSFs and Sector Boards should have a minute on implementation of the Biodiversity Action plan

CHAPTER 05

Policy & Legislative Agenda

OBJECTIVE	PROPOSED POLICY / LEGISLATIVE AGENDA	RESPONSIBILITY
TO FACILITATE ACCESS TO CAPITAL THROUGH INNOVATIVE FINANCIAL PRODUCTS	→ Create regulations for the MSE Act to provide for- 1. Access to financial products from MSEA 2. Facilitating access to guarantees and loans 3. Support to businesses e.g. mentorship, providing workspace s and business incubators. 4. Eased access to intellectual property protection e.g. waiver of fees.	→ MSEA → Ministry of Industry, Trade and Co-operatives → KEPSA
TO SIMPLIFY THE BUSINESS REGULATORY ENVIRONMENT AND TAX REGIME	→ Coming up with a policy and law on public participation th at requires the consultation of businesses when considering taxes and busine ss regulation	→ MSEA → Parliament of Kenya → County Assemblies → KEPSA
	→ Enactment of a law that requires the inclusion of MSMEs in county committees	→ Parliament of Kenya → County Assemblies → KEPSA
	→ Ensure there is a parent legislation for all county charges (usually, the Finance Bill is used to vary charges to grounded in legislati on)	→ Parliament of Kenya → County Assemblies → Council of Governors → KEPSA
TO PROVIDE AFFORDABLE WORKING SPACES (DOMESTIC ECONOMIC ZONES) IN THE COUNTIES	→ Enactment of the Physical Planning Bill. → Create guidelines on zoning in county assemblies to accomm odate business	→ MSEA → Council of Governors → Parliament of Kenya → KEPSA

OBJECTIVE	PROPOSED POLICY / LEGISLATIVE AGENDA	RESPONSIBILITY
TO STEP UP WAR AGAINST ILLICIT TRADE, CONTRABAND AND SUBSTANDARD GOODS	→ Amendment of the Anti-Counterfeits Act to create a cause of action and provide for damages, injunction orders, account for p rofits, ex parte seizures,	→ Anti-Counterfeit Agency → Office of the Attorney General → Parliament of Kenya → KEPSA
	→ Development of an IP policy	→ Kenya Industrial Property Institute → Kenya Copyright Board → Anti-Counterfeit Agency → Office of the Attorney General
	→ Amendment of the Anti-Counterfeits Act	→ Anti-Counterfeit Agency → Parliament of Kenya → KEPSA
	→ Enactment of an 'Anti-cybersquatting Act'	→ Parliament of Kenya → KEPSA
	→ Creation of a policy that outlines the role of various ag encies involved in inspection and how these agencies can co-operate.	→ Ministry of Industry, Trade & Co-operatives → Anti-Counterfeit Agency → Kenya Bureau of Standards → Kenya Industrial Property Institute → KEPSA

OBJECTIVE	PROPOSED POLICY / LEGISLATIVE AGENDA	RESPONSIBILITY
TO REGULATE BUSINESS TO BUSINESS (B2B) UNFAIR TRADE PRACTICES (UTP)	→ Amendment of the Competition Act to– 1. Extend the objectives of the Act to protecting businesses f rom UTP from other businesses. 2. Give the Authority the mandate to intervene in cases of B2B UTPs 3. Give the Authority the mandate to come up with enforceab le regulations, practice direction, guidelines and Codes of C onduct for B2B 4. Give the Authority a dispute resolution mandate for B2B UTPs → Expand the mandate of the Competition Authority to includ e capacity building and promotion of a contracting culture.	→ Competition Authority → Ministry of Industry, Trade and Cooperatives → Parliament of Kenya → KEPSA
REGULATION OF THE RETAIL SECTOR	→ Amendment of the Sale of Goods Act to– 1. Design an implementing body for the Act that will regul ate B2B transactions 2. Provide administrative remedies as an alternative to the judici al remedies under the Act. 3. Set standards of payment 4. Give legal effect to industry codes of conduct 5. Prescribe statutory interest for late payments 6. Give legal effect to instruments used in e-commerce 7. Give the implementing body the authority to come up wi th cross sector and sector specific regulations	→ Office of the Attorney General → Ministry of Industry, Trade and Cooperatives → Parliament of Kenya
DISPUTE RESOLUTION	→ Create a branch in the Commercial Division of the High Cou rt todeal with competition cases → Scale up mediation (voluntary and court mandated) for competi tion cases	→ Judiciary → KEPSA
SELF-REGULATION	→ Coming up with sector codes of practice: 1. Amongst retailers 2. Between retailers and suppliers	→ KEPSA

OBJECTIVE	PROPOSED POLICY / LEGISLATIVE AGENDA	RESPONSIBILITY
OBLIGING GOVERNMENT ENTITIES TO MAKE TIMELY PAYMENTS	→ Enforcement of the Sale of Goods Act to apply to Busines s to Government (B2G) transactions.	→ National Treasury → Office of the Attorney General → KEPSA
REVIEW AND HARMONIZATION OF THE LAWS ON INVESTMENT	→ Adoption of the draft Kenya Investment Policy, 2017	→ Cabinet → Parliament of Kenya → KEPSA
	→ Amendment of the Investment Promotion Act to: 1. Provide more benefits on obtaining an investment certifi cate 2. Remove reference to the Acts that have since been repealed 3. Reflect the role of county governments in investment 4. Describe in detail which investments qualify for the award o f an investment certificate. 5. Delimit the role of county governments in investment 6. Include county government representation in the National Investment Council 7. Empower the CS to come up with a negative list of the investments reserved for local investment 8. Expand the conditions of obtaining an investment certificate to accommodate less capital-intensive investments → Operationalization of the National Investment Council → Establish an Investment Fund to encourage local investment	→ Kenya Investment Authority → Ministry of Industry, Trade and Cooperatives → Office of the Attorney General → KEPSA → Council of Governors

OBJECTIVE	PROPOSED POLICY / LEGISLATIVE AGENDA	RESPONSIBILITY
IMMIGRATION SUPPORT FOR FOREIGN INVESTORS	→ Amendment of the Citizenship and Immigration Act to: 1. Entrench the Entry Permit Determination Committee in law 2. Enunciate the criteria for evaluating applications from in vestors 3. State timelines 4. Allow for the prioritization of pre-determined skill s actively sought to rationalize granting of work permits and balance local capa city building	→ Directorate of Immigration and Registration of Persons → Ministry of Foreign Affairs → Ministry of Industry, Trade and Cooperation → Parliament of Kenya
PRIVATE SECTOR PARTICIPATION IN REVIEW OF TAXES	→ Coming up with a policy and law on public participation th at makes special provision for the consultation of private sector in setting tax rates.	→ Office of the Attorney General → National Treasury → Parliament of Kenya
DISPUTE RESOLUTION	→ Scale up adoption of mediation for dispute resolution → Accreditation of court annexed mediators with experience in handling investment disputes → Specialized courts to handle intellectual property right s disputes	→ Judiciary → Law Society of Kenya → KEPSA
HARMONIZED AND PREDICTABLE INCENTIVE SYSTEM	→ Coming up with a policy on incentives for business that w ill be the overarching guide for all incentive programmes. → Ensure transparency and predictability on how these incentive s may be accessed.	→ National Treasury → KEPSA
ONE STOP SHOP	→ Create a policy under which all business registration and li censing requirements will be coalesced.	→ Office of the Attorney General → Council of Governors → KEPSA
COMBAT CORRUPTION	→ Adoption of the Bribery Rules.	→ Office of the Attorney General → KEPSA

OBJECTIVE	PROPOSED POLICY / LEGISLATIVE AGENDA	RESPONSIBILITY
REIFICATION OF PUBLIC PRIVATE SECTOR PARTNERSHIP	→ Amend the Public Private Partnerships Act to: 1. Indicate the role of county governments in public private partnerships 2. Provide for better coordination between national and cou nty governments 3. Reduce bureaucracy in small-scale investments and allow county governments to enter into PPPs without national governm ent approval in some cases	→ Public Private Partnerships Unit → National Treasury → Parliament of Kenya → KEPSA
ENCOURAGE AND ALLOW FOR INVESTMENT IN THE COUNTY GOVERNMENTS	→ Create County Investment boards through legislation	→ Parliament of Kenya → County Assemblies → Council of Governors → KEPSA
INCREASE UPTAKE OF LOCAL CONTENT	→ Create a policy on uptake of local content and enact a law on it. Specifically provide for: 1. Domestic participation on the various value chains 2. Domestic value addition 3. Skills transfer 4. Local participation in FDI	→ Ministry of Industry, Trade and Cooperatives → Parliament of Kenya → KEPSA

AGRICULTURAL TRANSFORMATION FOR FOOD SECURITY

OBJECTIVE	PROPOSED POLICY / LEGISLATIVE AGENDA	RESPONSIBILITY
CREATE A LEGAL FRAMEWORK TO REGULATE AND PROMOTE IRRIGATION	→ Operationalization of the Water Act, 2016 by: 1. Setting up the National Water Harvesting and Storage Authority 2. Create Regulations under the Act → Adoption of the National Irrigation Policy → Enactment of the Irrigation Bill, 2017	→ Ministry of Agriculture and Irrigation → Parliament of Kenya → KEPSA
INCREASE THE CAPACITY OF THE KENYA FOREST SERVICE	→ Increasing budgetary allocation → Amendment of the Forest Conservation and Management Act to: 1. Provide a clear role for county governments 2. Provide clear guidelines on when the Kenya Forest Service should opt for concessions	→ Kenya Forest Service → Parliament of Kenya
REDUCE THE COST OF PRODUCTION	→ Adoption of the County Own Source Resource Policy → Enactment of the County Government Revenue Raising Proce ss Bill	→ Ministry of Agriculture and Irrigation → National Treasury → Parliament of Kenya → KEPSA
REGULATE LIVESTOCK BREEDING AND TRADE	→ Review of the National Livestock Policy → Enactment of the Livestock and Livestock Products Development and Marketing Bill → Enactment of the Livestock Breeding Bill → Finalization and adoption of the veterinary policy	→ Ministry of Agriculture and Irrigation → Parliament of Kenya → KEPSA

EMPLOY BIOTECHNOLOGY IN AGRICULTURE	→ Review and adoption of the National Biotechnology Development Policy	→ National Biosafety Authority → Ministry of Education, Science and Technology → Parliament of Kenya → KEPSA
PROMOTE TRADE IN AGRICULTURAL PRODUCTS	→ Enactment of the Warehouse Receipt System Bill → Enactment of the Commodities Exchange Act	→ Parliament of Kenya → KEPSA

THE BLUE ECONOMY

OBJECTIVE	PROPOSED POLICY / LEGISLATIVE AGENDA	RESPONSIBILITY
ENFORCEMENT OF THE EXISTING LEGISLATION	→ Operationalization of the bodies created under the Fisheri es Management and Development Act 2016 i.e. 1. Kenya Fisheries Advisory Council 2. Kenya Fisheries Service → Operationalization of the Fisheries Research and Developm ent Fund	→ Ministries of Agriculture and Irrigation → National Treasury → KEPSA
SUBSIDIES TO ENCOURAGE INVESTMENT IN THE BLUE ECONOMY	→ Create a policy to rationalize subsidies → VAT exemptions of inputs	→ Ministries of Agriculture and Irrigation → National Treasury → KEPSA

ENSURING SUSTAINABLE INVESTMENT IN THE BLUE ECONOMY BY IMPOSING A CARBON TAX	→ Come up with a policy and law on the imposition of a carbon tax and how that tax should be utilised.	→ Ministries of Agriculture and Irrigation → National Environment Management Authority → National Treasury → KEPSA
OVERARCHING POLICY ON BLUE ECONOMY	→ Create an overarching policy on the blue economy → Harmonise all other policies and laws that touch on the blue economy	→ Ministries of Agriculture and Irrigation → National Environment Management Authority → National Treasury → KEPSA
EMBRACING A MULTI STAKEHOLDER APPROACH TOWARDS BLUE ECONOMY GOVERNANCE	→ Determine a public participation framework for governance of the blue economy	→ Ministries of Agriculture and Irrigation → National Environment Management Authority → National Treasury → KEPSA

SPORTS ECONOMY

OBJECTIVE	PROPOSED POLICY / LEGISLATIVE AGENDA	RESPONSIBILITY
MOTIVATING COMPETITION IN SPORTS	→ Come up with a policy and amend the Sports Act to provid e for. 1. Labour in the sports industry 2. Competition in sports 3. Financial fair play	→ Judiciary → KEPSA
DISPUTE RESOLUTION	→ Encourage the uptake of mediation of disputes by: 1. Accrediting mediators with experience in handling sports disputes 2. Fast-tracking sport disputes	
STRENGTHENING INTELLECTUAL PROPERTY RIGHTS IN SPORTS	→ Amendment of the Sports Act to give effect to personal ity rights, media rights, merchandising,	

EXPORTS DEVELOPMENT AND EASY ACCESS TO GLOBAL MARKETS

OBJECTIVE	PROPOSED POLICY / LEGISLATIVE AGENDA	RESPONSIBILITY
DEALING WITH DUMPING AND IMPOSITION OF COUNTERVAILING AND SAFEGUARDING MEASURES	→ Establishment of the Trade Remedies Agency created under the Trade Remedies Act → Finalization and adoption of the National Trade → Enactment of the Trade Development Act	→ Ministry of Industry, Trade and Cooperatives → Parliament of Kenya → KEPSA
SCALING UP TRADE WITHIN EAST AFRICA	→ Harmonization of laws with the EAC Common Market Protocol	→ Ministry of East African Community and Regional Development

SCALING UP THE FIGHT AGAINST COUNTERFEITS	→ Amendment of the Anti-Counterfeits Act to: 1. Create and stipulate the role of county governments 2. Allowing consumers to make a complaint. 3. Strengthen the Anti-Counterfeit Agency → Coming up with an Intellectual Property Policy and Strategy	
SCALING UP E-COMMERCE	→ Coming up with an e-commerce policy and e-commerce law	→ Parliament of Kenya

FOSTERING RESEARCH, INNOVATION AND CREATIVITY

OBJECTIVE	PROPOSED POLICY / LEGISLATIVE AGENDA	RESPONSIBILITY
BUSINESS ENVIRONMENT DRIVEN BY RESEARCH	→ Tax incentives for research	→ National Treasury → Ministry of Education → Parliament of Kenya → KEPSA
CREATIVE ECONOMY	→ Create a policy on balancing intellectual property and the right of access to creations with cultural value. → Provide a legal framework: 1. Define what activities fall under the creative economy, including 2. Creation of creative economy centres 3. Funding and subsidies for the creative economy 4. Revamp and increase libraries and designate them as cultural centres 5. Promotion of capacity building 6. Grants, awards and scholarships 7. Government owned studios	→ Ministry of Sports and Heritage → Ministry of Education → Ministry of ICT → Kenya Copyright Board → Kenya Industrial Property Institute → KEPSA

HARMONISATION AND UPDATING OF LAWS GOVERNING THE CREATIVE ECONOMY	→ Harmonising and Consolidating the functions of the Kenya Film Classification Board and the Kenya Film Commission. → Repeal and replace of outdated laws governing the creative economy → Rationalisation of charges levied on the creative economy → Audit of the Traditional Knowledge and Cultural Expressions and amendment of the Traditional Knowledge Act → Embracing Geographical Indicators and revising the Industrial Property Act to reflect this	→ Parliament of Kenya → Ministry of Sports and Heritage → Office of the Attorney General → Kenya Copyright Board → Kenya Industrial Property Institute → KEPSA
LEGAL FRAMEWORK ON ACCESS TO THE INTERNET	→ Policy on internet access and infrastructure to ensure: 1. Equal for opportunities for all 2. Embed the Internet as a basic right for all Kenyans	→ Ministry of ICT → Office of the Attorney General → Parliament of Kenya → KEPSA
THE GOVERNMENT AS A CONSUMER OF THE CREATIVE INDUSTRY	→ Upscale the consumption of local products through: 1. Local procurement policy on anything that touches on the creative economy 2. Setting standards and guidelines for creative economy procurement by government agencies.	→ Ministry of Sports and Heritage → National Treasury → KEPSA
LEGAL FRAMEWORK TO ENCOURAGE CULTURAL DIVERSITY	→ Policy and law of nationwide application that: 1. requires each county to have a five-year plan on how to mainstream the creative economy 2. Encourages the establishment of cultural centres by government actors and non-government actors 3. Outlines publicly subsidized art activities	→ Council of Governors → County Assemblies Forum → Parliament of Kenya → Ministry of Sports and Heritage → KEPSA

CAPITALIZING ON INTERNET 2.0	→ Policy to promote: 1. User generated content 2. Development of Kenyan apps	→ Ministry of Sports and Heritage → Ministry of ICT → KEPSA
CHANGING ATTITUDES THROUGH EDUCATION & COLLABORATIONS WITH CULTURAL CENTRES	→ National policy requiring: 1. Presentation of the creative economy as important as sciences 2. Attachment programmes with creative practitioners to inspire pupils and students to create 3. Encourage tertiary institutions to take up the creative economy as a mainstream field of practice and develop a pool of practitioners and products	→ Ministry of Education → Ministry of Sports and Heritage → Ministry of ICT → KEPSA
ACCESS TO FINANCIAL PRODUCTS	→ Incentives to financiers to develop financial products that cater for the creative economy. These could be in the form of: 1. Tax rebates 2. Tax exemption	→ National Treasury → Parliament of Kenya → Ministry of Sports and Heritage → KEPSA

Policies & Legislation for Key Enablers

TAXATION AND BUSINESS ENVIRONMENT

OBJECTIVE	PROPOSED POLICY / LEGISLATIVE AGENDA	RESPONSIBILITY
GIVE EFFECT TO ARTICLE 209(3) OF THE CONSTITUTION	→ Enact laws of nationwide application to ensure that all property, entertainment and other taxes are grounded in an Act of Parliament. → Enact county legislation for each charge the counties intend to levy. → Enact a legal framework on the procedure for adjusting taxe s and charges. Specifically: 1. Public consultation processes before the tabling of the Budget and the Finance Bill every year 2. Concretizing private interests into Finance Bill proposals	→ National Treasury → Parliament of Kenya → KEPSA
REVIEW OF DATED LEGISLATION ON TAX	→ Enactment of the Income Tax Bill, 2018	→ National Treasury → Parliament of Kenya → KEPSA
LEGAL FRAMEWORK ON COUNTY CHARGES	→ Fast tracking the enactment of the County Government (Tax Regulations) (Draft) Bill 2016 that seeks to address double taxation and multiplicity of charges across the counties → Finalization of the County Own Source Revenue Enhancement Policy targeted to address conflicting regulations.	→ National Treasury → Council of Governors → Parliament of Kenya → KEPSA

SECURITY AND CRIME PREVENTION

OBJECTIVE	PROPOSED POLICY / LEGISLATIVE AGENDA	RESPONSIBILITY
IMPROVING POLICE SERVICE	→ Increase police salaries and implement that increase → Finalise vetting of police officers. Focus on issues of merit and qualifications → Create a policy for a chaplaincy service at the national and cou nty levels → Finalize the National Police Service ICT policy and procu re ICT equipment and infrastructure to ease communication and shor ten response time → Launch and implementation of the Code of Conduct for the National Police Service → Implementations of the recruitment guidelines that insist on intellectual capabilities to complement physical activity	→ National Police Service Commission → Salaries and Remuneration Commission → Ministry of Interior and Coordination of Government → Parliament of Kenya → KEPSA
CLEAR LEGAL FRAMEWORK ON COMMUNITY POLICING	→ Clarification and harmonization of the role played by the county coordinators, county commanders OCPDs and county police coordinators. → Establishment of the County Policing Authority and Area Community Policing Committees created under the Nation al Police Service Act	→ Ministry of Interior and Coordination of Government → National Police Service Commission → KEPSA
FINALIZE ON THE LEGAL FRAMEWORK ON PRIVATE SECURITY	→ Create regulations on the Private Sector Industry Regul ationAct	→ Ministry of Interior and Coordination of Government → Private Sector Industry Regulation Authority → KEPSA

WHOLESOME APPROACH TOWARDS CYBER HEALTH	→ Create regulations under the Computer Misuse and Cybercrimes Act → Issue quarter guidelines to businesses on cybersecurity trends and best practices → Share government cybersecurity standards with private sector to motivate private sector to adopt similar standards → Review the role of the private sector under the Computer Misuse and Cybercrimes Act and the cost of this involvement → Encourage public private partnerships in cybersecurity	→ Ministry of ICT → Ministry of Interior and Coordination Government → KEPSA

DEVOLUTION

OBJECTIVE	PROPOSED POLICY / LEGISLATIVE AGENDA	RESPONSIBILITY
COMPLETING THE UNBUNDLING AND TRANSFER OF FUNCTIONS	→ Funding the mandates transferred to the county governm ent through the annual budgetary allocation → Adhering to the unbundling and transfer guidelines issu ed by the Transitional Authority → Enactment of laws for transferred functions where none exi st → Implementation of Mwongozo to streamline the functions of state corporations and collate parastatals that carry out duplicate functions → Follow-up guidelines on unbundling and transfer of tho se functions that are currently being duplicated.	→ Parliament of Kenya → Intergovernmental Relations Technical Committee → Council of Governors → County Assemblies Forum → KEPSA
LEGAL FRAMEWORK ON COUNTY CHARGES	→ Fast tracking the enactment of the County Government (Tax Regulations) (Draft) Bill 2016 that seeks to address double taxation and multiplicity of charges across the counties → Finalization of the County Own Source Revenue Enhancement Policy targeted to address conflicting regulations;	→ National Treasury → Council of Governors → Parliament of Kenya → KEPSA

LAND HOLDING, USE AND MANAGEMENT

OBJECTIVE	PROPOSED POLICY / LEGISLATIVE AGENDA	RESPONSIBILITY
CLEAR GUIDELINES ON THE PLANNING, USE, REGULATION AND DEVELOPMENT OF LAND	→ Enactment and implementation of the Physical Planning Bill, 2017 → Implementation of the Land Use Policy launched in June 201 8	→ Ministry of Lands and Physical Planning → National Land Commission → Council of Governors → Parliament of Kenya → KEPSA
ENSURING JU ST COMPENSATION FOR COMPULSORILY ACQUIRED LAND	→ Enactment and implementation of the Land Value Index Laws (Amendment) Bill, 2018	→ Parliament of Kenya → Ministry of Lands and Physical Planning → National Land Commission → KEPSA
EVERY COUNTY TO COME UP WITH ITS COUNTY SPATIAL PLANS	→ Implementing the County Spatial Planning Guidelines, 201 8 → Involving the private sector in the development of the spa tial plans to ensure spatial plans creative a conducive environment for business	→ Council of Governors → County Assemblies Forum → KEPSA

INFRASTRUCTURE DEVELOPMENT

OBJECTIVE	PROPOSED POLICY / LEGISLATIVE AGENDA	RESPONSIBILITY
AN OVERARCHING LAW ON ROADS IN KENYA STIPULATING THE ROLES OF VARIOUS INSTITUTIONS & COUNTY GOVERNMENTS	→ Enactment of the Kenya Roads Bill 2017 with amendments to protect private sector investment.	→ Parliament of Kenya → KEPSA

LEGAL POLICY FRAMEWORK FOR TRANSPORT IN URBAN AREAS	→ Implementation of the Nairobi City County Non-Motorized Transport Policy → Other counties to develop their Non-Motorized Transport Policy → Creation of Urban Transport Policies	→ Kenya Rural Roads Authority → Kenya Urban Roads Authority → Kenya National Highways Authority → Ministry of Transport, Infrastructure, Housing and Urban Development → Council of Governors → KEPSA

HOUSING

OBJECTIVE	PROPOSED POLICY / LEGISLATIVE AGENDA	RESPONSIBILITY
UPDATING ALL LAWS RELATING TO HOUSING	→ Review of the National Housing Policy 2004 → Amend the Sectional Properties Act → Enactment of the Built Environment Practitioners Bill t o replace the Architects and Quantity Surveyors Act	→ Ministry of Transport, Infrastructure, Housing and Urban Development → Ministry of Lands and Physical Planning → Parliament of Kenya → KEPSA

ENERGY

OBJECTIVE	PROPOSED POLICY / LEGISLATIVE AGENDA	RESPONSIBILITY
UP TO DATE LAWS	→ Enactment of the Energy Bill, 2017 and operationalization of the bodies created under it → Enactment of the The Petroleum (Exploration, Development and Production) Bill, 2017	→ Parliament of Kenya → KEPSA

ICT

OBJECTIVE	PROPOSED POLICY / LEGISLATIVE AGENDA	RESPONSIBILITY
LEGAL FRAMEWORK GOVERNING E-COMMERCE	→ Enactment of an E-commerce law prescribing essential elements of e-contracts and fair trade practices for online businesses → Review of the Evidence Act to not only allow for electronic evidence but to also prescribe its efficient production → Empower the Communication Authority of Kenya to issue regular guidelines on competition in emerging markets	→ Ministry of ICT → Office of the Attorney General → Parliament of Kenya → KEPSA
LEGAL FRAMEWORK ON DATA PROTECTION	→ Adoption of a data protection policy → Enactment of the Data Protection Bill 2018	→ Ministry of ICT → Parliament of Kenya
STRATEGIES TO ENSURE ACCESS FOR ALL	→ Investment in internet infrastructure by the government even for rural areas → Tax subsidies to encourage private sector investment in internet infrastructure for rural areas. → Review of the licensing regime under KICA to promote transparency, affordability and competition. → Review KICA and the Computer Misuse and Cybercrimes Act to make sure they are technology-neutral	→ Ministry of ICT → National Treasury → KEPSA

STRATEGIES TO ENSURE ACCESS FOR ALL	→ Amending the Roads Bill 2017 to provide for a dig-once policy, and infrastructure sharing for posterity purposes → Counties to come up with policies that promote access to educational networks, research and development initiatives so as to step up internet uptake in rural areas	→ Ministry of ICT → National Treasury → KEPSA
DRIVE UP INTERNET LOCAL DEMAND TO INCREASE ACCESS LEVELS	→ Provide content infrastructure, such as data centres and content delivery networks, and support the ability to host content locally and use IXPs for quick access to content. → Policy to ensure that all e-government services are connected to local IXPs to incentivise ISPs to connect → Subsidize electricity and equipment to encourage private sector investment in content infrastructure → Make local hosting competitive	→ Ministry of ICT → National Treasury → KEPSA
AN OVERARCHING LEGAL FRAMEWORK ON INTERMEDIARY LIABILITY FOR ALL PLAYERS IN THE INTERNET LANDSCAPE	→ Enact a policy and law on intermediary liability for Interne t Servic Providers (ISPs) and online service providers (OSPs)	→ Ministry of ICT → Office of the Attorney General → Parliament of Kenya → KEPSA
ACCESS FOR MINORITIES	→ Policy requiring all public sites to be designed for opti mal access by all	→ Ministry of Labour and Social Protection → Ministry of ICT → KEPSA
UPTAKE OF ICT AS A VIABLE CAREER OPTION	→ Setting up government innovation and entrepreneurship hubs → Community programmes for internet skills training, medi a and digital literacy and cyber health.	→ Council of Governors → Ministry of ICT → National Treasury

WOMEN IN BUSINESS

OBJECTIVE	PROPOSED POLICY / LEGISLATIVE AGENDA	RESPONSIBILITY
EXTENDING THE TWO THIRDS GENDER RULE TO BOARDS OF PUBLICLY LISTED COMPANIES.	→ Regulations under the Capital Markets Act to require that boards of publicly listed companies not have more than two-thirds members of the same gender.	→ Parliament of Kenya → Ministry of Ministry of Public Service Youth and Gender Affairs → KEPSA
EXTENSION OF MATERNITY AND PATERNITY LEAVE TO ADOPTIVE PARENTS	→ Amendment of the Employment Act to allow maternity and paternity leave for adoptive parents	→ Ministry of Ministry of Public Service Youth and Gender Affairs → Ministry of Labour and Social Protection → Parliament of Kenya → KEPSA
POLICY AND LEGAL FRAMEWORK REQUIRING EQUAL PAY FOR EQUAL WORK	→ Amendment of the Employment Act to require equal pay for equal work	→ Ministry of Labour and Social Protection → Ministry of Ministry of Public Service Youth and Gender Affairs → Parliament of Kenya → KEPSA
LEGAL FRAMEWORK TO ENCOURAGE MORE WOMEN TO VENTURE INTO BUSINESS	→ Tax and social security subsidies for women run enterprises (e.g. waiver of the cost of business registration for women)	→ National Treasury → Ministry of Ministry of Public Service Youth and Gender Affairs → Parliament of Kenya

The National BUSINESS AGENDA III 2018-2022

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