



SPEAKER'S ROUNDTABLE 2018





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8TH PRESIDENTIAL ROUNDTABLE HELD ON 10TH MAY 2018 AT STATE HOUSE

Foreword

Reimagining Kenya in Partnership between Business and Parliament



Since 2009, the Speakers Roundtable has played a critical role in strengthening the relationship between the Legislature and the Private Sector. Before Speaker Roundtable was established, the private sector engaged with the Legislature in an ad hoc manner thus calling for a structured engagement that would present the private sector a platform and opportunity to contribute and foster pro-growth laws and policies for economic growth of the country.

After almost ten years of engagement there is a lot to count as achievement in our partnership which has led to a clear understanding of the way our institutions work. The partnership has ensured that the private sector engages on an almost day to day basis with Parliament through the Parliament Departmental Committees (PDCs).

Now that the Country is focused on the Big Four agenda as set by Government, it is incumbent of us to work together even more than ever in order to achieve the ambitious plan in the very shortest time possible. This does call for a change of tact and approach, and a need to reimagine Kenya through a legislative partnership. We are awake to the fact that it is not going to be business as usual, as we need to address the underlying issues in a lightning speed to ensure that the various stakeholders including the Private sector are facilitated to deliver the agenda.

To successfully achieve the Big four agenda we have to partner in addressing some of the underlying impediments. To spur the manufacturing competitiveness we have to reduce energy cost, curb proliferation of illicit trade and cheap imports, look at how we can remove at the very best IDF and RDL on industrial input and machinery and enhance the prompt payment system to suppliers. Similarly, to attain a food secure nation we need to reduce the cost of production in the sector, reduce the post-harvest losses and provide incentives to on-board youths into the agriculture sector. On health, it is important for us to ensure that our policies support more inclusion of private sector in provision of universal healthcare through requisite incentives and enhance Public-Private Partnership in the provision of health services.



private sector engages on an almost day to day basis with Parliament through the Parliament Departmental Committees



As we look beyond our generation, we have to focus on sustainable development.

Alike, private sector participation in the provision of affordable housing is key but we have to ensure that enablers such as land are cheaply facilitated to the investors, provide critical infrastructure, simplify the process of property registration and lower the cost of construction materials.

As we soldier on, we have to ensure that the country through the respective institutions are able to raise the revenue needed in a more efficient and effective way to fund the projects in the Big Four. We have to empower our institutions to ensure that we increase revenue collection

and there is value for money in utilization of revenue. Similarly, we cannot be oblivious of the political economy in the country and the role politics play and impact on development. From our history, politics have played a big role in shaping the direction of our economic growth and it is upon us as we forge next steps to ensure that there is political accountability and certainty to spur growth.

As we look beyond our generation, we have to focus on sustainable development. Develop our towns and cities in a progressive way that will ensure we have clean and organised urban environment, which will help in attracting Foreign Direct Investment. As policy makers, it is our call to ensure that we plan our cities and towns properly with proper utilities that are efficient and functional and curtail sporadic

development that are encroaching public land meant for public utilities. This calls for affirmative action both in planning and in budgeting for public utilities such as hospitals, schools for education and infrastructure for transport including public transport.

Finally, I wish to appreciate the invaluable partnership and support with the National Assembly under the leadership of the Speaker. As we march forward together in supporting the Government to achieve the Big Four agenda, our partnership in ensuring a predictable environment for the private sector to invest and operate will be key. This Speakers Roundtable is just but the start of our collaboration with the Twelfth house and we look forward to leverage on such to foster a conducive business environment. As the private sector, we will remain focused in pushing for pro-growth laws and policies and working with the house through the respective committees to steer Kenya into an economic hub in the region.

Carole Kariuki
Chief Executive Officer

About KEPSA

The Voice of the Private Sector in Kenya

The Kenya Private Sector Alliance (KEPSA) is the voice of the private sector in Kenya and the umbrella body for private sector associations and corporate bodies in all sectors of the economy including trade associations. KEPSA speaks for multinationals, SMES and startups organized under different sector boards and working groups reflective of the 16 sectors of the economy. KEPSA has over 500,000 members through business member organizations and companies. It provides a platform for the private sector to engage in Public Private Dialogue at Local, National and International level. It also offers information, advisory and networking opportunities for members and is a key partner to government and other stakeholders in the formulation and implementation of policies and strategies geared towards spurring economic growth, wealth creation and national development.

KEPSA engages with all three arms of Government in ensuring that there is a favourable environment for doing business. We partner with government in passing various policies, strategies and Bills and increasing strategic interventions.

The Established Public - Private Dialogue Forums



7TH PRESIDENTIAL ROUNDTABLE FORUM HELD IN JUNE 2017, STATE HOUSE NAIROBI

PRESIDENTIAL ROUNDTABLE (PRT)

An engagement with the Head of State on issues of national importance affecting the economy as well as those issues that require his direct intervention as Head of State. The PRT resolutions and commitments are cascaded down to the respective implementing Ministries and other arms of government.



LANDS AND HOUSING MINISTERIAL STAKEHOLDER FORUM HELD IN MAY 2018 AT ARDHI HOUSE

MINISTERIAL STAKEHOLDER FORUM (MSF)

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

SPEAKERS ROUNDTABLE (SRT)

An annual engagement platform with the National Assembly and the Senate. The SRT facilitates joint review of legislative matters involving respective parliamentary Departmental Committees and the Private Sector.



SPEAKERS' ROUNDTABLE (NATIONAL ASSEMBLY) – OCT 2016

COUNCIL OF GOVERNORS FORUM (COG)

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



THE GOVERNORS AND DEPUTY GOVERNORS INDUCTION FORUM HELD IN DECEMBER 2017 IN DIANI, KWALE COUNTY

CHIEF JUSTICE FORUM

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



CHIEF JUSTICE ROUNDTABLE HELD ON 29TH JUNE 2018



KEPSA MEETING WITH CBK GOVERNOR IN MAY 2017

PLATFORMS WITH SELECTED STATE AGENCIES

KEPSA meets with state agencies and departments among which are: Attorney General, Immigration, Kenya Revenue Authority (KRA), National Police Service Commission, Kenya Police Service, KPLC, and ERC on specific business issues that require resolution by the respective departments.



DEVELOPMENT PARTNERS ROUNDTABLE IN MAY 2016

DEVELOPMENT PARTNERS ROUNDTABLE (DPRT)

This is an engagement that provides an opportunity for the private sector to inform and partner on the development agenda and priorities for the country's national development and private sector development.



KEPSA - EALA MEETING HELD IN MAY 2018 AT INTERCONTINENTAL HOTEL

REGIONAL FORUMS

KEPSA meets with regional organizations created under the EAC Treaty and other agencies with a regional mandate such as East African Legislative Assembly (EALA), Northern Corridor Integrated Projects (NCIP) & EAC Council of Ministers on specific regional issues.

Introduction

STATE OF THE ECONOMY AND CHARTING THE FUTURE



Coming out of a tough year that was 2017, Kenya's economy proved its resilience with a modest 4.9% growth rate. In the first quarter of 2018, the economy has recorded GDP growth of 5.7% compared to 4.8% in similar quarter last year. This is a more reflective representation of the projected 5.5% growth for 2018.

LAUNCH OF KENYA ECONOMIC UPDATE REPORT BY WORLD BANK IN APRIL 2018.

Merchandise exports grew by 7.1% to KSh 162.9 billion in quarter one of 2018 compared to similar quarter in 2017, while merchandise imports grew by 6.5% to KSh 432.1 billion. Current account deficit improved to KSh 107.9 billion compared to KSh 129.7 billion in quarter one of 2017. On investment, Kenya received a total of \$672 million FDI inflows¹ in 2017 representing a 71% increase from 2016 owing to a buoyant domestic demand and inflows into ICT industries.



Since 2015, Kenya has moved up 56 positions on the Ease of Doing Business Index (DBI) to rank position 80 in 2018.

Kenya's economic growth has been supported by a conducive business environment as reflected by positive ranking in Key global indices which include the World Bank's Ease of Doing Business Index and the World Economic Forum's Global Competitiveness Index that are majorly used by investors in making investment decisions.

On account of key regulatory reforms, Kenya has been able to consistently improve in the Ease Doing Business Index (DBI). Since 2015, Kenya has moved 56 positions to rank at position 80 in 2018. Equally, Kenya has been improving in the Global Competitiveness Index (GCI) even though not at the pace it has in the Doing Business Index and is currently ranked at position 91 in the GCI. This trend is supported by the targeted business regulatory reforms that Kenya undertook including enactment of the Companies Act, Business Registration Services Act and the Insolvency Act. Through these reforms, In particular, Business Registration Services Act we have seen the cost, processes and time taken to register a business reduce and made it easy for investors.

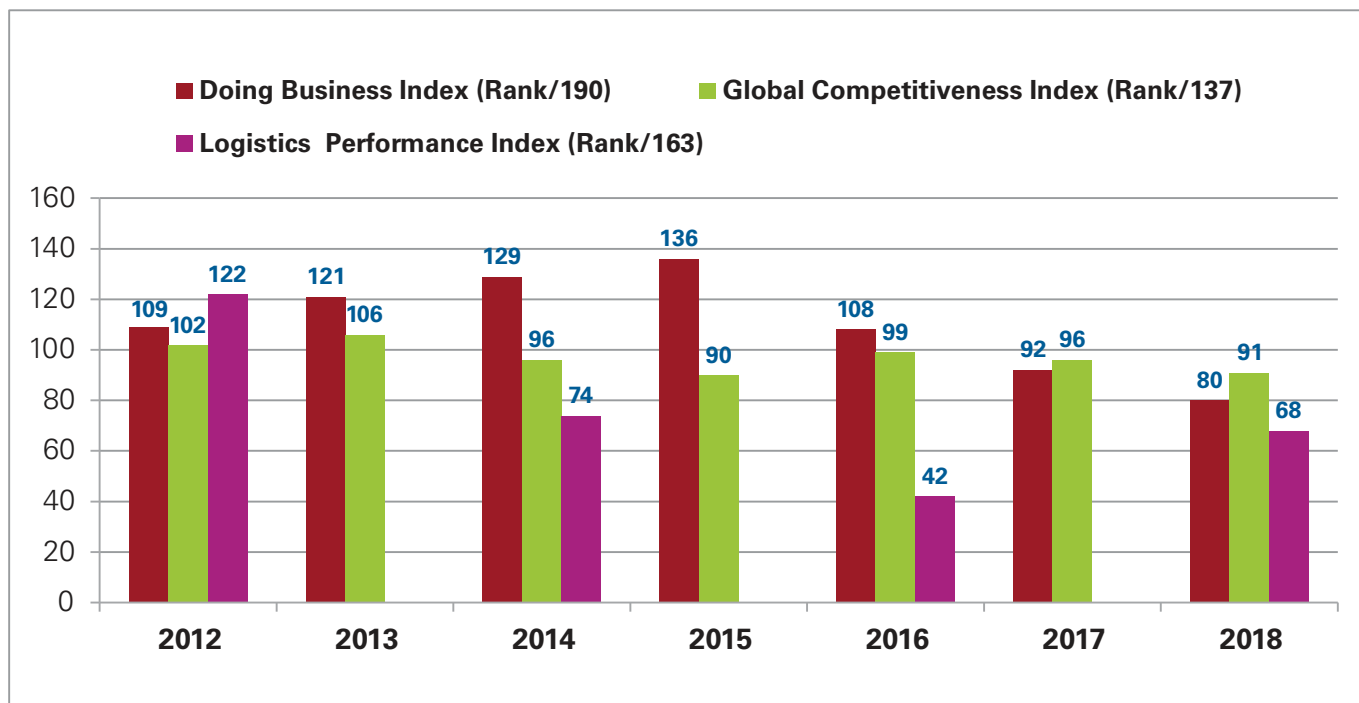
In spite of the remarkable trends that have been recorded, there is more to be done to sustain the achievements. This requires a multi-sectorial approach including partnership between the private sector and the legislature.

Therefore we need to:

- › Focus our strategy on improving our export trade capabilities, stemming corruption, improving our public debt management, controlling and planning our development, among others.
- › On export trade, Kenyan exports remain highly focused on commodities. This situation reflects export growth that is typically fuelled by a limited number of mineral and primary commodities that have only narrowed impacts on the wider economy, and formal sectors that remain small. To support export development, private sector and the legislature together with the Export Promotion Council could work together on a Bill to support export development and promotion. We have to diversify the export base and implement policies that allow more people to benefit from trade.



LAUNCH OF KENYA ECONOMIC UPDATE REPORT BY WORLD BANK IN APRIL 2018.



› Equally, the role of SMEs in creating jobs and growing the economy should be enhanced and scaled up so that Kenya can develop a new set of SMEs that become large scale businesses with capacity to compete and penetrate global markets in the next ten years. Parliament and the private sector could start thinking of the requisite SME facilitation needed to strengthen linkages with large firms, supporting SME to globalise through sustained economic diplomacy to open up new market opportunities, improving access to credit which includes timely payment for supplies delivered and services offered, and improving infrastructures such as market facilities.

› Similarly, there is need to keep tabs on the political economy and check the quality of leadership and politics in the country. More than once, Kenya's economy has proved its responsiveness to the political uncertainties with investors holding back during elections, dormancy in private sector operations and negative effects to economic growth. A predictable policy and regulatory environment backed with a stable political economy is key in improving Kenya's competitiveness and sustaining economic growth.



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01

History of Private Sector & Parliament Engagement Partnership (2008-2017)



Back in 2008, KEPISA had established mechanisms of engagement between the private sector and the Executive Arm of government through three main forums: The Ministerial Stakeholders Forum, the Prime Minister's Round Table, and the Presidential-Private Sector Working Forums.



PRESIDENTIAL PRIVATE SECTOR WORKING FORUM HELD IN 2009

Background of Speakers Round Table Forum



FORMER NATIONAL ASSEMBLY
SPEAKER KENNETH MARENDE
WITH KEPSA MEMBERS IN 2010

Back in 2008, KEPSA had established mechanisms of engagement between the private sector and the Executive Arm of government through three main forums: The Ministerial Stakeholders Forum, the Prime Minister's Round Table, and, the Presidential-Private Sector Working Forums. However, there was no formal and structured mechanism of engagement with the legislative arm of government despite its very important role in creating a conducive business environment arising from the law-making and oversight roles of legislators. There was a parent disconnect between policy formulation and law making, which had resulted in Parliament passing some laws that did not have the desired positive impact on the business environment.

In order to remedy this, KEPSA approached the leadership of the House and raised these concerns. The Board of KEPSA held several meetings with the leadership of the House to discuss ways of addressing the situation. These discussions resulted in the first joint meeting between the Speaker and senior members of staff from the National Assembly and the Board of KEPSA to discuss formation of a formal partnership between the private sector and parliament that would allow consultations of the private sector in the following:

- › The Legislative Process through Parliamentary Departmental Committees in scrutinizing Bills;
- › The budget process when it gets to parliament;
- › Advising Members of Parliamentary committees on technical issues in the various sectors so that they can have informed debate in the House.

The Inaugural Speakers Round Table Forum In 2009



Following various meetings under the Speakers Round Table forum, it was felt that there was need for a meeting between KEPSA members and the entire membership of the House in order to assist the Members many of whom were yet to understand who KEPSA was and its activities. Similarly, many KEPSA members did not understand the workings of parliament. And, so, it was deemed necessary for both parties to meet to discuss and learn from each other and to develop pathways for collaboration for the prosperity of the country.

In addition, the budding partnership between private sector under KEPSA and Parliament needed the endorsement of the full House. This is what led to the organization of the two-day joint conference between KEPSA and Parliament in Mombasa in 2009 which endorsed and formalized the KEPSA-Parliament engagement to-date.

That maiden joint forum deliberated and reached consensus on the future working relationship between the private sector and parliament with mechanisms of how both parties would engage henceforth.

H.E PRESIDENT HON. MWAI KIBAKI BEING ESCORTED BY THE SPEAKER OF THE NATIONAL ASSEMBLY HON. KENNETH MARENDE, DURING THE JOINT KEPSA-PARLIAMENT CONFERENCE ON 14TH - 15TH AUGUST 2009, AT THE LEISURE LODGE HOTEL IN DIANI.



PRIME MINISTER'S ROUND
TABLE (PMRT) IN 2011

The following resolutions were made from the conference which formed the basis of partnership with Parliament for the last 8 years:

- › Focus our strategy on improving our export trade capabilities, stemming corruption, improving our public debt management, controlling and planning our development, among others.
- › That there was now a formal partnership with the Kenya National Assembly and that Parliament would remain open to engage with private sector on any issues that require legislative intervention.
- › That the various parliamentary committees would meet with the respective KEPSA sectors to develop a program of engagement for the common good of the country.
- › That the Committees would work with KEPSA members in identifying laws that needed harmonization and those that required amendments or areas where new laws needed to be made.
- › That KEPSA Sector Board members who had laws they wished to introduce in Parliament would prepare drafts and forward to the Speaker of the National Assembly for drafting and publication by the Parliamentary Legal Department.
- › That Parliamentary Committees would endeavour to notify and invite KEPSA members for a discussion in case there were any Bills before Parliament that had an impact on private sector.
- › That during budget discussions by the Committees, KEPSA members would attend Parliamentary Committee meetings and help the Members to understand the sector allocations and therefore inform the interrogation of the budget.
- › That going forward, Members of Parliament would work with KEPSA as equal partners in the development of the country and help in creating a conducive environment for business.
- › That going forward, both KEPSA and Parliament would have regular with a view of forging a common agenda for Kenya and working together for the posterity of the country.
- › That now that Parliament and private sector were partners, both parties would work together to help Parliament effectively discharge its role of oversight over the Executive arm of government.
- › That a Committee would be formed consisting of four members of KEPSA and four Members of Parliament from the Liaison Committee to constitute the successive Parliament-KEPSA Round Table (Speaker's RoundTable) and to oversee the partnership.

The Second Speaker's Round Table in December 2012



The second Private Sector - Parliament conference was held at Leisure Lodge Resort in Diani, Mombasa on 17th December 2012 themed "The Nation and Election preparedness; the role of Public and Private Leadership". The conference discussed achievements of the KEPSA-Parliament partnership and the Nation and Election preparedness specifically progress in implementation of agenda 4 issues, security and election preparedness, the role of media and political parties in ensuring peaceful elections and Private sector-legislature dialogue in a devolved Government setting. The roundtable resolved on the need for economic buoyance amid the elections and pledged to ensure that elections are conducted freely and peaceful. The roundtable was among many efforts that steered Kenya into a peaceful election with the country managing to record economic growth in an electioneering period for the first time.

In 2013, Kenya's economy grew by 5.9% from 4.5% in 2012. The economy managed to grow staying a way of the norm of as seen in previous electioneering years where the economy had regressive tendencies. In particular, the economy sunk 2008 and only managed to grow by 1.7% compared to the previous year's growth of 7.1%. The downward trend was attributed to contested election results in the 2007 general elections. The 2013 trend, managed to firm Kenya's political economy attracting more foreign direct Investment and enhancing the vibrancy of the private sector including the Micro, Small and Medium Enterprises.

SPEAKERS ROUND TABLE HELD IN 2012

The Third Speakers Round Table in October 2016



SPEAKERS ROUNDTABLE WITH
NATIONAL ASSEMBLY - 14TH
OCTOBER 2016

The Speaker of the National Assembly once again convened the Speakers Roundtable with the Private sector at Leisure Lodge Resort in Diani, Mombasa on 13th October 2016, two months after the Private sector Speakers Roundtable with the Speaker of the Senate. The 2016 Speaker's Roundtable saw the private sector and the National Assembly discuss issues that would secure Kenya's competitiveness through and enabling legislative framework. The roundtable resolved to partner and pursue laws and policies that would spur make the private competitive. Some of the laws, policies and regulation that were to be fast tracked including the Bribery Bill, the Special Economic Zones Bill, Business Registration Service Bill, the Insolvency Bill among others.

These bills have since been enacted and immensely contributed to improved ease of doing business in the country, supported growth of MSMEs, attracted invest both domestic and foreign. For instance, this particular SRT agreed on reducing the cost of doing business through the support of mechanism that reduces the number of licenses, elimination of overlapping requirements for business to comply and turn-around time for business registration. On overlapping requirements, we have since seen concerted efforts especially in streamlining the roles of regulatory organs of the state such as NEMA and NCA and lead to a shift in policy regarding the imposition of the NEMA and NCA charges to facilitate private sector investment. Similarly, the numbers of days taken to register a business through the Huduma centres has reduced from 30 days in 2014, 22 days in 2016 to the current maximum of 7 days in 2018.

Leadership Summit with the Both Houses of Parliament



In partnership with both Houses of Parliament, KEPSA convened a two day leadership Summit at the Leisure Lodge Resort, Diani, Kwale County on 2nd and 3rd December 2016 to deliberate on the August 2017 General Elections and ensure peaceful, free, fair and credible elections. The theme of the leadership summit was "Competitiveness, Nationhood and Peaceful Elections" and was a follow up to a similar Summit convened at the same venue in December 2012 ahead of the March 2013 whose success is attributed to the peaceful elections in 2013.

The Summit was graced by H.E. President Uhuru Kenyatta, and attended by Members of both houses of Parliament led by Rt. Hon. Ekwe Ethuro and Hon. Justin Muturi, Cabinet Secretaries and Permanent Secretaries, the Judiciary, Governors of County Governments, Development Partners, religious leaders, Civil Society and the private sector.

As a result of the Summit, government institutions and Commissions assured their commitment to work in collaboration with all stakeholders including the private sector to ensure peaceful, free fair and credible elections. KEPSA was thus able to interact regularly with these institutions through Mkenya Daima up-to the election date and beyond. The leaders committed to avoid hate speech and incitement and instead unite Kenyans and spread message of peace, cohesion and nationhood during their campaigns. All the leaders present led by President Uhuru Kenyatta signed the Peace Pledge with a commitment to maintain peace before, during and after the 2017 general elections.

LEADERSHIP SUMMIT HELD ON
1ST AND 2ND DECEMBER 2016-

Speaker's Roundtable as a Cornerstone for Fostering Business-friendly Legislation



PARLIAMENTARY RETREAT
HELD IN FEBRUARY 2014

KEPSA's business legislative agenda is carried through the Speaker's Roundtable (SRT) established in 2009 while its engagement in policy formulation, tracking and implementation is carried out through an array of Public-Private Dialogue (PPD) platforms with the wider Executive arm of the government, i.e., Ministries, Departments and Agencies (MDAs). The SRT process ensures that Parliament passes laws that have input from the private sector, thus laws that lead to the desired impact on the business environment. It enables the private sector to conduct structured engagement with both houses of Parliament (the National Assembly (NA) and Senate).

This engagement is conducted through the legislative process, which primarily include the budget-making process, engagement with parliamentary departmental committees (PDCs) in their roles of scrutinizing Bills and inquiries, policy approval, and, advising members of parliament on technical issues in the various sectors of the economy so that they can have broader, informed and inclusive debate in the house.

At the beginning of every Parliament, and given that more than half of both Houses usually have new members, KEPSA holds inaugural SRT with each of the Houses to raise awareness about the role of Parliament in the creation of conducive business environment and to set the business legislative agenda for the subsequent life of the prevailing Parliament. The first meeting (SRT) also serves as an induction platform for both the legislatures, with most being newly elected and the private sector including KEPSA's new members to create an understanding of the working relations of the two institutions. Having set the tone in the first meeting and understanding of the partnership, the two partners continue to engage throughout in the committees and others factions.



Notably, much of the technical engagements on business legislation happens at the Parliament Departmental Committees (PDC)-level throughout the year in line with the agreed agenda from the first SRT at the beginning of each parliament. Thereafter, subsequent SRTs are being organised each year to take stock of progress made in the obtaining year and agree on the business legislative agenda to be prioritized for the subsequent year.

Through our continued engagement with the Legislature, we have seen key legislations that have contributed to a conducive business environment and thus spurred private sector growth. Notably, some of these laws have been pending for more than a decade whilst others having been unchanged since independence.

KEPSA has engaged Parliament through the SRT in more than 100 laws that are pertinent to the businesses for their enactment. The following is a highlight of some of key business Laws passed through the SRT engagement:

Anti-Counterfeit Bill 2008: KEPSA though SRT participated in pushing for the Anti-Counterfeit Bill which sought to outlaw production of counterfeits and protection of industries from dumping of contrabands.

Proceeds of Crime and Money

Laundering Act 2009: KEPSA though SRT participated in pushing for enactment of the Bill in 2008. The Bill was accented to in 2009 through continued engagement with parliament. The Act introduced measures for combating the offence, provide for the identification, tracing, freezing, seizure and confiscation of the proceeds of crime. It therefore complements the internal controls that stockbrokers and investment banks already have in place to combat money laundering.

The Micro and Small Enterprise Act

2012 : KEPSA engaged parliament on the MSE Bill since 2010 and it was later enacted in 2012 after being prioritised in the 2012 SRT. The law had been pending since 2002. The Act regulates the MSE sector in Kenya and bring them under a legal framework in order to access credit and within the tax bracket.

RETREAT ON SPECIAL
ECONOMIC ZONES BILL 2015



KEPSA MEETING ON INTEREST RATE CAPPING BILL HELD IN AUGUST 2016

Public Private Partnership (PPP) Act

2012: KEPSA engaged parliament through the respective PDCs on the need to have the law enacted and it was considered in the 2012 SRT and was enacted into law. The Act provides framework for private sector participation in financing government projects.

The Companies Act 2015: For a very long time Kenya was regulated by Pre-independence Company Act, but through private sector's prioritization of overhaul of the Act in the SPRT, the country got its new Company Act in July 2015. Among other things, enhances corporate governance and protects the interest of shareholders including, minority shareholders,

creates a single window for registration of companies which further improve Kenya's competitiveness under the Doing Business Index ranking and simplifies documentation requirements for registration of companies.

The Insolvency Act 2015: This Act represents a key element of legislative reform in the management of businesses facing liquidation and provides an enabling legal regime that will create opportunity for recovery to profitability. This further improves Kenya's position as a viable and attractive investment destination for investors where the law provides support to businesses at risk of liquidation



The Business Registration Service Act, 2015:

This Act creates a legal framework for a more effective and efficient administration of at least 11 laws that regulating business operations in Kenya. These laws include the Companies Act, Partnership Act, Limited Liability Partnership Act, Societies Act, College of Arms Act, Registration of Business Names Act, Hire Purchase Act, Books and Newspapers Act, Bankruptcy Act and Chattels Transfer Act.

The Bribery Act 2016: KEPSA engaged with parliament on the need to have a Bribery law to deal with corruption resulting from dealings with foreign entities by extending the mandate of various agencies beyond Kenya. KEPSA through Business Against Kenya (BACK) drafted the Bribery Bill and was fast tracked for enactment by the National Assembly into Law through the SRT and engaging respective committees

Private Security Industry Regulation Bill 2016:

KEPSA pushed for the enactment of the Bill into law through the SRT, which seeks to regulate the operations of the Private Security Sector. The Bill has since been enacted, even though the Private sector will is pushing for a few amendments to reflect the current trends, which is among the agenda for SRT 2018.

H.E. PRESIDENT UHURU KENYATTA POSES FOR A GROUP PHOTO WITH PRIVATE SECTOR PLAYERS DURING THE SIGNING OF KEY BUSINESS ENVIRONMENT BILLS IN 2015



KEPSA PUBLIC FINANCE MEMBERS PRESENTATION TO THE PARLIAMENTARY DEPARTMENTAL COMMITTEE ON BUDGET PROPOSALS ON 2ND AUGUST, 2018

Bills that the Private Sector has engaged Parliament on between 2016 - 2018

2016

| BILLS & LAWS ENGAGED ON | PURPOSE & ACHIEVEMENTS |
|---|--|
| LAND & PHYSICAL PLANNING | |
| The Land Laws (Amendment) Act 2016 | <ul style="list-style-type: none"> › The Act brings about amendments to the Land Act, 2012, Land Registration Act, 2012 and the National Land Commission Act, 2012. The amendments were necessary to correct errors and inconsistencies in the statutes and to clarify certain definitions |
| The Community Land Act 2016 | <ul style="list-style-type: none"> › The Act came into force to give effect to Article 63 (5) of the Constitution. The Act specifically provides for; <ul style="list-style-type: none"> a) The recognition, protection and registration of community land rights; b) Management and administration of community land; c) The role of county governments in relation to unregistered community land. › The Act also repeals the Land (Group Representatives) Act, (Cap 287) and the Trust Lands Act, (Cap 288) |
| PUBLIC FINANCE | |
| The Movable Property Security Rights Act | <ul style="list-style-type: none"> › The Act facilitates the use of movable property as collateral for credit facilities, establish the office of the Registrar of Security Rights and provide for the registration of security rights in movable property. |
| The Legal Metrology Bill | <ul style="list-style-type: none"> › The Bill seeks to repeal the Weights and Measures Act and replace there for with amendments the Legal Metrology Act to take on board the substantive changes that have taken place in science of measurement (metrology) including areas that were not previously covered such as health, human safety and environmental issues. |

**BILLS & LAWS
ENGAGED ON****PURPOSE & ACHIEVEMENTS****INFORMATION COMMUNICATION & TECHNOLOGY (ICT)****Access to Information
Act**

- › The Act creates a framework to facilitate access to information held by private bodies and promote routine and systematic information disclosure by both public service and private service.

**The Data Protection
Bill**

- › The Bill was reintroduced in the 12th Parliament

**The ICT Practitioners
Bill**

- › Establish a legal framework for the training, registration, licensing, practice and standards of Information Communication Technology (ICT) professionals in Kenya
- › The Bill was reintroduced in the 12th Parliament

TRADE & INDUSTRIALISATION**County Outdoor
Advertising Bill, 2015**

- › Ensure that outdoor advertisements respect amenity and do not prejudice public safety, including road safety and that the display of outdoor advertisements contributes positively to the appearance of a well-cared for and attractive environment in the counties

SECURITY**The National
Coroners Service Bill,
2016**

- › The Bill provides for the establishment of the National Coroners Service and appointment of coronial officers; provide for investigation of reportable deaths in order to determine the identities of the deceased persons, the times and dates of their deaths and the manner and cause of their deaths; provide for the complementary role of forensic medical science services to the police in handling investigations involving decedent bodies and scene management; provide for matters relating to exhumation of bodies at the order of the courts and pursuant to other written laws; provide for the mandatory requirement to report reportable deaths; establish the procedures for investigations, by coroners of reportable deaths; assist in policy formulation by advising the Government, by forensic study, on possible Measures to help to prevent deaths from similar causes happening; and facilitate the participation of the Coroner at inquests to advise on matters connected with reportable deaths, including matters related to public health or safety and the administration of justice.

2016

2016

**BILLS & LAWS
ENGAGED ON****PURPOSE & ACHIEVEMENTS****ENERGY & EXTRACTIVES****The Petroleum
(Exploration,
development and
Production) Bill**

- › The Bill provide a framework for the contracting, exploration and development of petroleum together with production of petroleum discovered within licensed petroleum exploration blocks. The gill also provides a framework for the safe cessation of upstream petroleum operations. The Bill proposes to repeal the Petroleum (Exploration and Production) Chapter 308 of the Laws of Kenya.
- › The Bill was reintroduced in the 12th Parliament

ENGAGEMENT WITH SENATE**AGRICULTURE****Warehouse Receipt
System Bill, 2015**

- › The Bill provide a legal framework for the development and regulation of a warehouse receipt system for agricultural commodities to address marketing challenges associated with cereals and grain subsectors in Kenya
- › The Bill was reintroduced in Senate

DEVOLUTION & PLANNING**The Public Private
Partnerships
(Amendment) Bill,
2016**

- › To amend the Public Private Partnerships Act, 2013, to recognize county governments as distinct contracting authorities for Public-Private Partnerships projects
- › The Bill was reintroduced in Parliament

EDUCATION**The Care and
Protection of Child
and Parents Bill, 2016**

- › The Bill provides among others the safeguard to keep pregnant girls in school by providing a legal framework to facilitate a smooth transition for the parent student

ENERGY & EXTRACTIVES**The Local Content
Bill, 2016**

- › The Bill provides a framework for the development an adoption of local content through ownership, control and financing of activities connected with the exploitation of gas, oil and other mineral resources by local persons and local enterprises in order to ensure -development of local.

BILLS & LAWS
ENGAGED ON

PURPOSE & ACHIEVEMENTS

2017

TRANSPORT, PUBLIC WORKS & HOUSING

The Roads Bill, 2016

- › The Bill provides proposal to amend Clause 25 of the Bill. The object of the Bill is to give effect to the Fourth Schedule to the Constitution in relation to the roads subsector. It is proposed to review, consolidate and rationalize the legal and institutional framework for management of the road network and roads sub sector in a more efficient and effective manner.
- › The Bill was reintroduced in the 12th Parliament

FINANCE & NATIONAL PLANNING

Finance Act, 2017

- › The Act introduced some new provisions that were not contained in the Finance Bill, 2017. It provided clarification on some issues that were potentially confusing and dropped some proposals contained in The Finance Bill.
- › The Act was assented into law on 21st June, 2017

SPORTS, ARTS & CULTURE

Betting, Lotteries and Gaming (Amendment) Bill, 2016

- › The Bill amends the Betting, Lotteries and Gaming Act Cap. 131 to provide for a legal framework for regulating and controlling gambling activities and to establish the Kenya Betting Control and Licensing Authority.
- › The Bill was passed

ENGAGEMENT WITH SENATE

ENERGY & EXTRACTIVES

Land Value Index Laws (Amendment) Bill, 2016

- › The Bill seeks to amend the Land Act, the Land Registration Act and the Prevention, Protection and Assistance to Internally Displaced Persons and Affected Communities Act in order to provide for the assessment of land value index in respect of compulsory acquisition of land.
- › The Bill was reintroduced in the National Assembly

KEPSA Anti-corruption and Good Governance Initiatives



KEPSA- SUBMISSION OF
ELECTION AMMENDMENT
LAWS TO PARLIAMENT ON 4TH
OCTOBER 2017

KEPSA's engagement with parliament has seen a number of Bills that the private sector has championed being enacted into law. The continued and regular engagement through the Parliamentary Committees and submissions from the private sector by way of public participation as mandated by the Constitution has resulted into pro-growth legislations and a conducive business environment.

One of the key agenda that KEPSA has championed over years is on improving governance and stemming corruption in the country to ensure value for money, and efficient and accountable use of public resources for a conducive business environment.

Corruption is considered as a top impediment in doing business. In Kenya, it is estimated that the cost of corruption is equivalent to a third of the budget every year, this hampers the attainment of key development goals and economic growth. On the other hand, it is estimated that individual companies lose 12.8% of their revenues to fraud and other malpractices, hampering the company's growth and a ripple effect to the economy in terms of lost jobs, reduced tax revenues among other things.

The benefits of combating corruption are far too many to be ignored. It is argued that with good governance and corruption controls there is 400% increase in income per capita. In this regard, KEPSA has pursued a number of initiatives with the Private sector, the legislature and the public sector to ensure that the issue of corruption is aptly addressed. Within the private sector, KEPSA has championed the following initiatives

THE CODE OF ETHICS FOR BUSINESS



KEPSA has been involved in championing the adoption of the Code of Ethics for Business in Kenya under the United Nations Global Compact Network Kenya whose secretariat is hosted by the Kenya Association of Manufacturers (KAM). So far 400 companies have signed up to the code of ethics 12 of whom are Business Member Organizations and Professional Associations who are expected to motivate their members to sign up and abide by the Business Code of Ethics. This initiative is significant in the wake of closure of three banks in this year only on concerns that have a governance and ethical bearing.

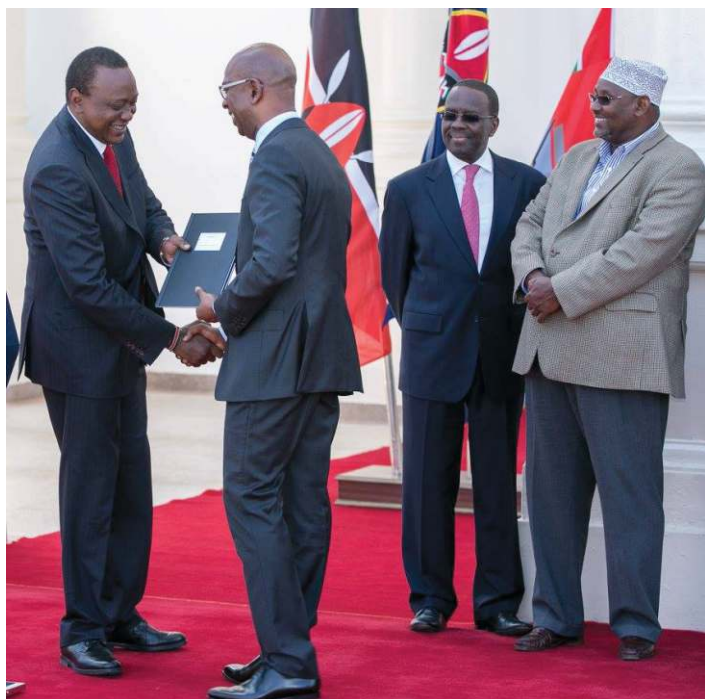
To further give credence to the Code of Ethics, the Private Sector sought the intervention of the President to ensure that government only procures from companies who have signed up to a code of ethics. To this end the Public Procurement Oversight Authority (PPOA) has developed the Code of Ethics for Suppliers in Public Procurement and Disposal which the private sector is currently reviewing. The private sector is also pursuing for the gazettment of Master Item List with prices for common user good and services in public sector. This is will help reduce procurement of goods and services at inflated prices while the known prices are available in the public domain. The government has already directed PPOA to gazette quarterly lists for the procurement of common user goods and services.

THE LAUNCH OF KEPSA'S CODE OF ETHICS FOR BUSINESS IN KENYA

CORRUPTION RISK MAPPING (CRM) SURVEY

In 2014, KEPSA undertook a corruption risk mapping survey to identify the loopholes within the public sector that create avenues for corruption. The Survey identified 7 areas of trade and service delivery where the public and private sector often interact to be the high risk areas for corruption in public sector operations. The import and export sub sector tops the list of points of interaction where corruption is highly likely to occur with a 36% chance. This is followed by Procurement and tax collection at third place with 13% risk chance; the Licensing process at 11% while inspection and quality assurance processes are at 8% with Environment and safety certification at the bottom of the list at 3%.

THE 5TH PRESIDENTIAL ROUND TABLE, BUSINESS AGAINST CORRUPTION AND THE ANTI-CORRUPTION BILL



NATIONAL CALL TO ACTION
AGAINST CORRUPTION HELD IN
NOVEMBER 2015, STATE HOUSE
NAIROBI

Following a resolution of the Presidential Round Table (PRT) in November 2015 where the Private sector identified corruption as a top impediment to doing business in Kenya and a threat to our economic growth and development, thus KEPSA took championed the enactment of the Bribery law. From that PRT a group of business leaders was formed known as Business Against Corruption (BACK) to solemnly to lead private sector efforts against corruption in Kenya, support a new legal framework against corruption, and work with Government to reward honest behaviour. Through the BACK, a draft Anti-Corruption Bill was presented to the 11th Parliament and passed on 1st December, 2016 and later on assented to law by H.E Uhuru Kenyatta on 24th December 2016. Even though the regulations that will allow full operationalization of the law are yet to be passed, the law extends the fight against corruption to the private sector.

Implementation of the Bribery Act 2016 will not only help in curbing corruption but also improve our ranking in the Transparency International Corruption Perception Index (CPI) where are currently ranked at positions 143 earning as the 35th worst globally.

THE 10 POINT AGENDA OF THE JOINT SUB-COMMITTEE ON ANTI-CORRUPTION



KEPSA was part of the Joint Sub-Committee on Anti-Corruption and the development a 10 point agenda. Even though the process of implementing the 10 point Agenda is ongoing. There are notable success in implementing the recommendations by the Committee. The Bribery Act, 2016 was enacted On 23rd December 2016 and it focuses on preventing Bribery in the Private Sector and the regulations to fully operationalize the Act are underway.

NATIONAL CALL TO ACTION
AGAINST CORRUPTION HELD IN
NOVEMBER 2015, STATE HOUSE
NAIROBI

The others which have recorded progress and are yet to be enacted include the Anti-Corruption Laws Amendments Bill, which is an omnibus amendment bill to all anticorruption legislation; the Whistle blowers Protection Bill that establishes responsible mechanism for protection of whistle blowers who provide information that may lead to disclosure of a misconduct (e.g. corruption and embezzlement of public funds.); and the False Claims bill incentivizes whistleblowing and will help stop fraudulent and false claims against Government. It has been drafted and will be validated by stakeholders in June 2018.

CORRUPTION RISK MAPPING IN THE PRIVATE SECTOR



KEPSA - CIPE TRAINING ON ANTI-CORRUPTION HELD IN APRIL 2018

KEPSA has partnered with Centre for International Private Enterprise (CIPE) to mobilise the Private sector to combat corruption in Kenya through enhancing business ethics and compliance. KEPSA is conducting a corruption risk mapping assessment on the private sector to assess the corruption exposure and counter measures under the KEPSA-CIPE partnership. In addition to the result from the mapping, KEPSA looks at capacity building of business and support informed private sector advocacy on anti-corruption and regulatory reforms in Kenya. This initiative will build on the enormous work that KEPSA has been undertaking to improve governance and more importantly foster reform agenda on improving governance in Kenya and ranking on key global indices namely the Doing Business Index, the Global Competitiveness Index and the Corruption Perception Index.



02

Setting The Pace With The 12th Parliament: 2018 & Beyond



KEPSA Energy sector board met with Parliamentary Departmental Committee on Energy & resolved to convene a workshop for deeper discussion on the issues affecting the sector including policies and laws and facilitating the private sector to play a greater role in the Big Four agenda.



KEPSA ENERGY AND EXTRACTIVES SECTOR BOARD PAYS A COURTESY CALL TO THE PARLIAMENT COMMITTEE ON ENERGY

On 27th February 2018, the KEPSA Energy sector board paid a courtesy call to the Parliamentary Departmental Committee on Energy at Parliament Buildings. The main agenda of the meeting was to introduce the sector board and highlight key issues affecting the energy sector for prioritisation by the Committee. The meeting resolved to convene a workshop for deeper discussion on the issues affecting the sector including policies and laws and facilitating the private sector to play a greater role in the Big Four agenda.

KEPSA ENERGY AND EXTRACTIVES SECTOR BOARD HOLDS A RETREAT WITH THE PARLIAMENT ENERGY COMMITTEE



KEPSA- ENERGY AND EXTRACTIVES SECTOR BOARD MEETING WITH ENERGY PARLIAMENTARY DEPARTMENTAL COMMITTEE HELD ON 27TH FEBRUARY 2018

Following a courtesy call to the Parliamentary Energy Committee, the Energy sector board organized a joint retreat whose theme was 'Energy as a Catalyst for Industrialization' from 5th - 7th April 2018 at Leisure Lodge in Diani, Kwale County. The workshop among other things delved on how based the Committee would play a facilitative role in the sector bearing in mind that the sector has a big role in the attainment of the Big Four Agenda. The workshop agreed on a framework for continuous engagement and consultations between the private sector and the Parliamentary Committee on Energy to enhance the

direct link between legislation and the business environment; active engagement of KEPSA and the Energy Parliamentary Committee in development of subsidiary legislation to operationalize the Energy and Petroleum Bills, 2017 and to engage in other areas that would increase efficiency, transparency and accountability in the sector.

KEPSA TRANSPORT AND INFRASTRUCTURE SECTOR BOARD PAYS A COURTESY CALL TO THE PARLIAMENTARY DEPARTMENTAL COMMITTEE (PDC) ON TRANSPORT, PUBLIC WORKS AND HOUSING



On 19th April 2018, KEPSA through its Transport and housing Sector Board engaged the Transport Public Works and Housing Parliamentary Departmental Committee (PDC) to establish a working relationship for legislating laws for favourable business environment in the sector as priority sector in the Big Four agenda. The meeting also offered the Private Sector an opportunity to only introduce to the legislature the means and ways in which the private sector engages and is organised but also critical areas that it can plug in to achieve the country's development agenda.

COURTESY CALL TO THE
PARLIAMENT DEPARTMENTAL
COMMITTEE OF TRANSPORT
PUBLIC WORKS AND HOUSING
HELD ON 19TH APRIL 2018

KEPSA ENVIRONMENT, WATER AND NATURAL RESOURCES SECTOR BOARD ENGAGE THE NATIONAL ASSEMBLY DEPARTMENTAL COMMITTEE ON ENVIRONMENT AND NATURAL RESOURCES



KEPSA ENVIRONMENT, WATER AND NATURAL RESOURCES SECTOR BOARD COURTESY CALL TO THE NATIONAL ASSEMBLY PARLIAMENTARY DEPARTMENTAL COMMITTEE ON ENVIRONMENT AND NATURAL RESOURCES ON 22ND MARCH, 2018 AT THE PARLIAMENT BUILDING, NAIROBI

On 22nd March 2018, KEPSA Environment, Water and Natural Resources Sector Board engaged National Assembly Committee on Environment and Natural resources to set a framework for joint engagement for legislation formulation of the sector for a favourable business environment. The meeting agreed to work together to draw a legislative agenda and strategy to effect a significant sustainable environment management legacy



03

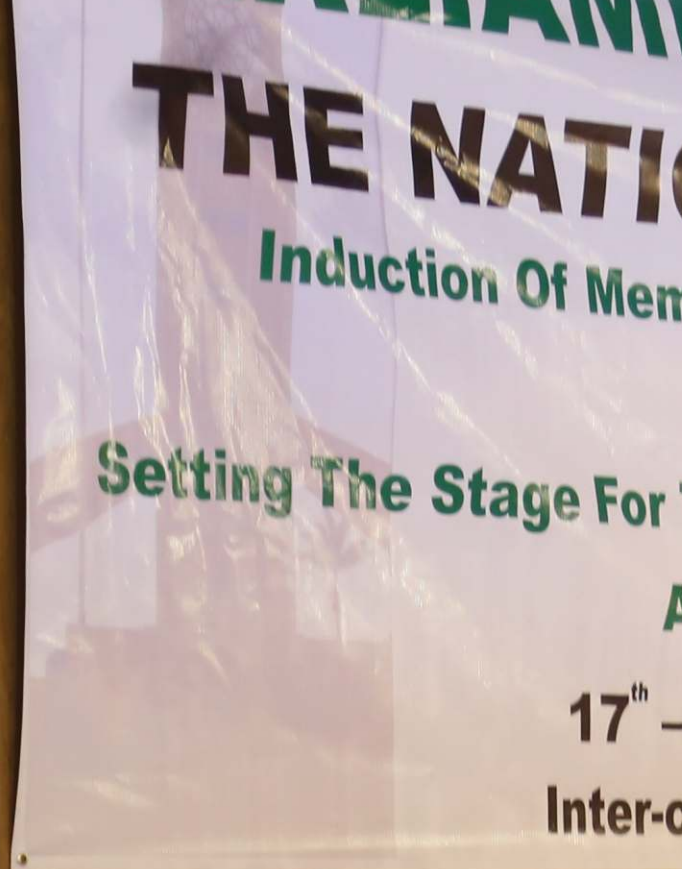
Focus of the SRT 2018



KEPSA Energy sector board met with Parliamentary Departmental Committee on Energy & resolved to convene a workshop for deeper discussion on the issues affecting the sector including policies and laws and facilitating the private sector to play a greater role in the Big Four agenda.



INTERCONTINENTAL
NAIROBI





PARLIAMENTARIANS
INDUCTION MEETING HELD AT
INTERCONTINENTAL HOTEL ON
17TH-22ND SEPTEMBER 2017

This year's SRT will be the inaugural roundtable with the 12th Parliament; a similar one will be held with the Senate at a later stage. Apart from providing the platform to raise awareness about the role of Parliament in the creation of conducive business environment, this inaugural SRT with National Assembly will focus discussions in defining the role and legislative agenda of National Assembly in the Big Four Agenda for sustainable and inclusive growth through legislative partnership with the Private Sector. The Big Four recognizes the key role that the Private sector plays in Kenya's development and puts more emphasis on Public-Private Partnership. Engagement with Parliament ensures that more facilitative policies and legislation are developed with inputs from private sector, thereby enabling businesses to fully leverage on the opportunities presented by the Big Four.

The specific objectives of the 2018 SRT will be:

1. To outline recommendations and a strategy for the conclusion of the list of policies, laws and regulations identified by business as necessary for creating a conducive business environment to facilitate job and wealth creation.
2. To increase uptake and adoption by Parliament of key private sector recommendations on the legislative agenda as identified by private sector.
3. To increase coordination between the Legislature and Private Sector on Legislative agenda needed to drive the Big Four development agenda and to unlock private sector investment.
4. Enhance engagement between the National Assembly and the Private sector through the Parliamentary Department Committees

The Roundtable has been structured into a sector approach envisioning five breakout sessions comprised of the four sectors of the Big Four Agenda and one session on 'Enablers', and rigorous Private Sector meetings with respective PDCs as follow up on the agreed agenda in SRT.

The Breakout sessions will enable the respective committee members to deeply engage with private sector member's from each of the sectors on legislative issues impeding their sector and the course of redress. These in-depth discussions will be led by a proposed legislative agenda in each of the sector with an ultimate goal of having commitment from the Parliamentarians on fast tracking the enactment of the proposed laws/amendments. Each sector will agree on an implementation matrix that will be used to gauge progress through the respective PDCs.

The break out session will include the following:

1. Manufacturing Competitiveness
2. Agriculture
3. Health Care
4. Housing
5. Enablers:
 - a. Energy and Extractives,
 - b. ICT,
 - c. Environment, Water & Waste Management,
 - d. Finance
 - e. Devolution
 - f. Good Governance and Anti-Corruption

MANUFACTURING COMPETITIVENESS

Manufacturing sector is among the key pillars to Kenya's economy. The sector is central to Kenya's policies on job creation, value addition, international trade and foreign exchange. In addition, the sector plays a pivotal role to the agriculture sector through direct and indirect linkages. As the Big Four Agenda envisions the sector to contribute 15% of the GDP by 2022, there are challenges that could impede these targets if not addressed in time. Some of these challenges include proliferation of illicit trade, declining competitiveness due to high cost of production, narrowing market access, and unpredictable and unstable policy environment. This calls for multi-sectorial interventions the Legislature included.



To spur manufacturing competitiveness, a number of interventions are required that will ensure that the operational costs in the industries are reduced and there is market facilitation for local products.

UPDATE OF THE 8TH
PRESIDENTIAL ROUNDTABLE
HELD ON 18TH MAY 2018 AT
STATE HOUSE



To spur manufacturing competitiveness, a number of interventions are required that will ensure that the operational costs in the industries are reduced

Among the challenges that pose a risk to attaining manufacturing competitiveness include unpredictable policy environment, high cost of energy, proliferation of illicit trade and cheap imports, shrinking domestic and regional market, delayed payment to suppliers among others.

Among the interventions that the private sector is keen on to address the challenges and a turnaround for the manufacturing sector include; the reduction of energy cost, removal of IDF and RDL on industrial input and machinery to reduce the operational costs, enhance the prompt payment system to suppliers

The SPRT will present a platform for policy and legislative redress. Some of the policies and laws to be discussed under this session as the sector legislative agenda include, but not limited to:

| POLICY/BILL | ACTION AND BUSINESS CASE |
|---|---|
| a) National Policy to support Enhancement of County Governments' Own-Source Revenue, and the County Government (Revenue Raising Process) Bill, 2017 | › Finalisation of the Policy and the enactment of the Bill will contribute to enhancing manufacturing competitiveness through reduction of cost related with double taxation by different counties as the law will stipulate clear procedures for counties source revenue |
| b) Integrated National Wage Policy c) Repeal Section 46 of Labour Institution Act 2007 (Publications of Wages Order) | › These two interventions are meant to augment Labour Productivity and competitiveness in the sector, allowing for de-pegging of the piece rate from the minimum wage. |
| d) Implementation of the Trade Remedies Act 2017 | › Full implementation of the Act will help in safeguarding the local manufacturers from illicit trade |
| e) Enactment of the East African Counterfeit Bill | › The law will help in protecting the local industries in the EAC from unfair competition by counterfeit products entering in the region and promote consumption of local products |
| f) Finalization of the Preference and Reservation Regulations under PPDA (2015) | › The regulations will help in promoting consumption of 'Brand Kenya' products, thus opening and expanding market access for the local manufacturers |
| g) Movable Property Security Rights Act 2017 | › Full operationalization of the Act, this will lead to |

AGRICULTURE AND FOOD SECURITY



Agriculture is the bread basket of the Kenyan economy and accounts for about 30% of the GDP. Even with this statistics, the sector remains underutilised despite having the potential to alleviate poverty and engage the unemployed youth. Currently, Kenya's youth unemployment (15 – 34 years) is estimated at 67% and a total of 1.3 million jobs are required to be created annually to ease this pressure.

UPDATE OF THE 8TH
PRESIDENTIAL ROUNDTABLE
HELD ON 18TH MAY 2018 AT
STATE HOUSE

It is against this backdrop that the private sector sees a greater a role in creating innovative, sustainable and meaningful solutions in the agriculture sector to attract more youth participation in the sector, and to have a food secured country. However, there are underlying policy and legislative pain-points that continue to ail the sector and need Parliament's redress to foster the growth of the sector. Some of the challenges include low productivity, huge post-harvest losses, low agro-processing, high costs of production, low yields, low mechanization, over reliance on rainfall for production among others. Some of the policies and laws to be discussed under this session as the sector legislative agenda include, but not limited to:

