



AMCHAM ECONOMIC SUMMIT 2018

BIG FOUR

**Market-Led Economic
Transformation**

JUNE 28, 2018 UNITED NATIONS, GIGIRI

THE AMCHAM ECONOMIC SUMMIT, 2018
THE BIG FOUR. MARKET LED ECONOMIC TRANSFORMATION
JUNE 28, 2018
UNITED NATIONS, GIGIRI
NAIROBI, KENYA

**OUTPUTS AND RECOMMENDATIONS FOR ENHANCING PRIVATE SECTOR
PARTICIPATION IN THE BIG FOUR AGENDA**

FOREWORD

These are exciting times for Kenya. As the largest and most diversified economy in East Africa, serving as the logistics, transportation, financial, and media hub of the region, combined with sound macroeconomic management, a culture of innovation and good leadership, the country is poised to become a leading hub of trade and commerce in Africa.

For the first time too, Kenya has set a strong development agenda – the Big Four Agenda, clearly outlining priority areas for development driven through partnership with the private sector. This, along with continued government commitment to improving the ease of doing business and investor friendly policies and incentives, all make Kenya an attractive investment destination.

With over 50 years of partnership between Kenya and the United States, and current bi-lateral trade grossing over \$1 billion, the U.S. stands as one of Kenya’s longest trading and development partner. American companies through their long-term and growing investment in various sectors of the Kenyan economy have continued to demonstrate their firm belief in Kenya’s economic potential, and their commitment to the economic prosperity of the country.

Thus, never before has there been a more opportune time for the U.S. and Kenya to engage in dialogue on key trade and investment priorities to strengthen commercial ties. With the open invitation from the Kenyan government for private sector input, it is only fitting that this dialogue is private-sector led, to explore and formalize partnerships for economic gain.

It is for this purpose that the American Chamber of Commerce (Amcham) Economic Summit was held in Nairobi on June 28, 2018 at the United Nations in Gigiri. The Summit themed, “The Big Four. Market-Led Economic Transformation”, was the first of its kind, bringing together key American and Kenyan government and private sector stakeholders in a collaborative dialogue to exchange ideas, build mutual trust and

understanding, seek common ground on key trade and investments priorities as well as support the Big Four Agenda.

This report contains the outcomes and recommendations of this Summit which reflect American business priorities to ensure businesses thrive. We hope these will be accepted as seeking to build on the long history of cooperation between the U.S. and Kenya to strengthen commercial ties for mutual economic benefit and growth.

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INTRODUCTION

Kenya is the largest and most diverse economy in East Africa. With the country making great strides in improving the ease of doing business - moving 80 positions on the global index in the last four years, infrastructure development, and growth of technology and innovation, in addition to GDP growth averaging 6% over the last 10-15 years, the country is uniquely positioned to become the leading hub of trade and commerce in Africa. With the systemic improvement in trade facilitation in East Africa and the ongoing integration of East African markets into a single customs territory, Kenya is further uniquely placed as the gateway to a ready market of a population of 160 million people.

This, along with Kenyan government commitment to create an investment-led growth economy, the provision of a framework of priority areas for development and an open invitation for private sector input and participation makes a timely combination of favorable factors to spur engagement and dialogue on private sector involvement in Kenya's economic development journey.

The American Chamber of Commerce, Kenya held the AmCham Economic Summit themed "The Big Four. Market-Led Economic Transformation", to specifically spark this dialogue with the goal of highlighting these growing opportunities for investment and to come up with tangible and actionable recommendations and commitments for American private sector participation in Kenya's Big Four economic transformation agenda.

The Summit, the first of its kind in Kenya, was attended by over 500 delegates, most notable, a 90+ Kenyan government delegation and a 60+ U.S. government and private sector delegation. The Kenyan delegation included H.E. President Uhuru Kenya who was the Chief Guest and cabinet and principal secretaries from the implementing and supporting Ministries of the Big Four Agenda. The U.S. delegation was led by the Undersecretary of Commerce for International Trade, Gilbert Kaplan and included members of the President's Advisory Council for Doing Business in Africa (PAC-DBIA). AmCham members also made a strong delegation of over 250 in a clear demonstration of keen interest in partnering with the Kenyan government.

The Summit comprised of three main sessions: The opening plenary, a deal signing ceremony and six roundtable sessions.

Opening Plenary

The official opening of the Summit was addressed by H.E. President Uhuru Kenyatta of the Republic of Kenya and featured speeches by the U.S. Ambassador to Kenya Robert Godec, the U.S. Undersecretary of Commerce for International Trade, Gilbert Kaplan, and the Chair of the President's Advisory Council on Doing Business in Africa, Jay Ireland.

American Chamber of Commerce Kenya Board President Ahmed Rady and the Chief Executive Officer Maxwell Okello also made opening remarks highlighting the role of the Chamber in facilitating the growth of trade and investment between Kenya and the U.S. and outlining the purpose of the summit.

All reiterated the existing opportunity for increased economic partnership between Kenya and the U.S. and a firm belief in the shared success that would result. H.E. President Uhuru Kenyatta reassured private sector delegates in attendance of the government's commitment to develop this partnership and to boost Kenya's competitiveness in trade and investment through institutional reform and creating a conducive environment for business. The issue of rampant corruption as an ongoing deterrent to investment and economic growth was also highlighted with President Kenyatta reiterating his administration's commitment and efforts in support of the various agencies fighting the vice.

Other highlights of this session included remarks by the Director, East and Southern Africa of the U.S. - Africa Business Centre of the U.S. Chamber of Commerce, affirming U.S. private sector commitment to Kenya's development and interest in growing markets, deepening commercial cooperation and strengthening commercial ties. Aviation, energy, infrastructure, healthcare, technology and financial services are key sectors of interest for U.S. firms with potential for growth across Africa. The U.S.

Chamber is intensifying its efforts in getting more U.S. companies to consider investments in Kenya and Africa as a region.

Trademark East Africa Director General and the Kenya Private Sector Alliance Chair both highlighted the improvements made on hard infrastructure i.e. roads and railways and the revolution in soft infrastructure through huge advances in e-commerce. Specifically, the modernization of the port of Mombasa and completion of seven border posts has reduced the transit time, improved efficiency and further opened up trade routes. This has improved Kenya's score in terms of logistics performance in the last four years, with the country moving up 80 positions on the global index from number 126 to 46.

Deal-Signing Ceremony

A total of six commercial deals worth a combined \$100 million were signed, witnessed by H.E. President Kenyatta, as follows:

World Business Capital (WBC) and Victoria Commercial Bank - \$10,000,000 – A long-term loan Victoria Commercial Bank to support its small and medium enterprise (SME) lending in Kenya, retaining a sizeable portion for women-owned and women-managed enterprises, and “green” loans. The U.S. Government's Overseas Private Investment Corporation (OPIC), provided an investment guaranty of the World Business Capital loan, which coincides OPIC's 2X Women's Initiative designed to mobilize capital in support of women in developing countries.

Rendeavour and Unity Homes - \$40,000,000 - Rendeavour will develop over 1,200 affordable homes at Tatu City. With a shortfall of around 1.9 million units across greater Nairobi and approximately 70 percent of those being in the lower to middle income segment, Unity Homes and Tatu City are well placed to assist the government in reaching its goal of over 200,000 units per year to meet the shortfall as well as add significantly to local employment.

Tesla and Mettle Ofgen - \$1,400,000 - Mettle Solar Ofgen Ltd. will commission what will be the largest solar + battery system in East Africa and the first Tesla battery bank

in Kenya. Mettler Solar Ofgen has contracted Tesla Energy to supply and commission the 1,260 kWh battery system at Amboseli Serena Safari Lodge in the Amboseli National Park. This renewable facility will reduce the diesel consumption by 85 percent while also radically reducing carbon emissions and noise at the lodge and improve operational performance with the supply of continuous, reliable, and clean power.

Angelica Medical and MedTronic - \$20,000,000 - MedTronic will open a dialysis center. The Government of Kenya identified specialized clinical services (i.e. dialysis, day surgery, other specialists' services, and hospital management) as priority partnerships for private sector participation.

Varian Medical Systems and Mediheal Hospitals - \$20,000,000 Varian Medical Systems (a member of the President's Advisory Council on Doing Business in Africa) and Mediheal Hospital signed a deal to equip five Mediheal Cancer Centers across the country with oncology treatment equipment and develop an "education center of excellence" to train and certify clinical personnel. The deal also includes a comprehensive services and maintenance contract for all equipment and software.

Power Africa and The Government of Kenya - The Power Africa-Government of Kenya Cooperation Framework (CF) outlines areas of Power Africa focus in Kenya and is in alignment with the Power Africa 2.0 Strategy as well as the government of Kenya's objectives of ensuring universal electrification by 2022. Emphasis will be placed on providing support to the Kenya Electricity Transmission Company (KETRACO), Kenya Power, and the Energy Regulatory Commission.

U.S. Trade and Development Agency (USTDA) and Kenya Tea and Development Agency (KTDA) - \$772,615 - USTDA will provide a grant to KTDA for a solar power and battery storage feasibility study. The project will provide KTDA Power with approximately 30 megawatts of reliable energy while also reducing operating costs at the tea factories. The project, which could leverage up to \$70.5 million in financing, builds off of previous USTDA support for KTDA, which led to the construction of three hydropower plants and another seven under development for KTDA's tea factories.

Private Roundtable Sessions

The roundtable sessions brought together Kenyan government officials, including Cabinet and Principal Secretaries, with American private sector stakeholders including members of the visiting PAC-DBIA delegation. Delegates held roundtable discussions on the key pillars and enablers of the Big Four Agenda. The sessions helped delegates improve their understanding of opportunities for trade and investment under the Big Four Agenda framework and provided a forum for investors to showcase potential solutions to government in line with the goals of the Agenda, as well as an opportunity to discuss current and potential challenges and propose solutions.

RECOMMENDATIONS FROM THE PRIVATE ROUNDTABLE SESSIONS

Six roundtable discussions were held during the Summit around the priority and enabling areas of the Big Four Agenda, namely: Manufacturing and Energy; Affordable Housing; Food Security; Universal Healthcare; The Digital Economy; and Workforce Development. The sessions featured participation from Kenyan Cabinet and Principal Secretaries, and U.S. – Kenyan private sector stakeholders represented by the visiting PAC-DBIA members and AmCham Kenya members.

The discussions focused on the opportunities available for private sector investment in the respective sectors within the framework of the Big Four Agenda, current and potential challenges relating to these investment opportunities and recommendations on solutions.

Six broad themes emerged from these discussions.

Infrastructure Development

Access to affordable, reliable and quality power supply was cited as an ongoing challenge to investment. Access to quality water was also cited as a limiting factor in investments in agriculture and manufacturing. Review of power tariffs to improve competitiveness as well as improvements in transmission and distribution were recommended.

Tax and Policy Regulation

Inconsistencies in regulation and ad hoc changes in taxation continually interfere with investment commitments and domestic growth forecasts. Too many policies and implementing agencies leading to duplication of efforts was also cited as a challenge in this area. Delegates called for dialogue between the government and private sector on tax and policy regulations to ensure solutions that favor all stakeholders.

Land Acquisition and Property Rights

Regulation surrounding acquisition of land for industry, large scale agriculture and housing projects was discussed with current government policy of non-renewal and non-issuance of long-term leases highlighted as a major hindrance to investment.

Access to Financing

Access to credit, mobilizing long-term capital and partnerships with international financiers were cited as some of the challenges facing investment. The need for lenders to adopt new models of lending and for alternative financing models and sources for large projects, such as pension funds and consortiums was recommended.

Government – Private Sector Partnership Frameworks

Delegates urged the Government to facilitate and encourage private sector participation through development of investor friendly, bankable projects with opportunities for mutual gain. The government on the other hand encouraged the private sector to embrace solution-driven margin sharing frameworks for public-private partnerships and move away from traditional tendering models.

Technology and Innovation

Delegates acknowledged that huge opportunities exist in the deployment of innovative technology solutions to cut costs and improve efficiency in project implementation, facilitate data collection, management and sharing, improve access to services and in providing training solutions to bridge the skills gap and improve applied knowledge. The use of the “White Box” initiative was recommended as an engagement platform

between the government and private sector to provide tech ideas and solutions for all sectors of the Kenyan economy and within the priority areas of the Big Four Agenda.

A detailed review of each roundtable discussion follows.

ROUNDTABLE 1: SPOTLIGHT ON MANUFACTURING AND ENERGY

The country intends to increase output and value to the GDP from the manufacturing sector from 9 to 15 percent. The government has prioritized the textile industry, agro-processing, ICT enabled business, automotive sector in component manufacturing, oil and gas, leather and timber as key areas for promoting investment for both large and small-scale players. Efforts are also being directed at addressing issues of competitiveness as well as regional trade challenges and industrial pacts. This roundtable discussion sought to highlight existing and potential opportunities in this sector, challenges experienced by investors, possible solutions, and develop an engagement framework between the government and private sector.

Delegates discussed challenges and opportunities in the following areas:

Power Cost and Transmission

The Kenya Electricity Generating Company (KenGen) is facing challenges of quality and reliability of power with respect to transmission and distribution and regulation and harmonization of power tariffs to internationally competitive levels. In addition, with costs associated with wind and solar being very competitive, the challenge of achieving a balance in generation of fuel resources to support the much-reduced cost of renewable energy is also at play.

The KenGen geothermal industrial park, and the Gulf Energy clean coal technology project were highlighted as ongoing projects in this area to meet this challenge and create opportunity.

KenGen is offering competitive tariffs to high energy consumption industries, sensitive to power quality, to set up in the KenGen industrial park located within a geothermal

generation site to save the economy on infrastructure costs and losses associated with long distances of transmission.

The Gulf Energy clean coal technology project, expected to achieve commercial operation by 2022, is anticipated to bring down the cost of generation and in turn offer lower tariffs for power while helping mitigate deforestation, open respiratory tract infections and carbon emissions.

There is also a growing interest and opportunity in small to medium size power projects; developing small distributor generation systems closer to the demand centers to support small scale power needs such as agricultural projects and rural development in off the grid areas. Delegates were invited to consider participating in these opportunities.

Tax Regulation

Delegates highlighted inconsistencies in the regulatory tax landscape as a key risk to investment. Ad hoc changes in taxation continually interfere with investment commitments and domestic growth forecasts. They called for dialogue between the government and private sector on tax regulation alongside government transparency in planning to ensure feasibility and solutions that favor all stakeholders.

Land and Property Rights

Insufficient land and property acquisition rights, lack of clarity on ownership of resources and unclear permit regulations were also discussed as some of the factors negatively impacting investor ability to exploit existing opportunities and secure financing, with mobilizing long-term capital proving especially challenging.

Recommendations

- Developing alternative financing options through opportunities available in areas such the pension sector and consortiums for deploying long-term capital were suggested as possible solutions to the challenge of raising capital.

- Constant, open dialogue between the government and the private sector and creating an enabling legislative and operating environment were agreed as necessary measures to facilitate continued private sector participation.
- Digitization, judicial reforms, improving market access for manufacturers, and providing investment guidelines and bankable projects were also mentioned as important fixes to allow full private sector participation in the Big Four Agenda.

Outcomes

Cabinet representatives present committed to meeting with the AmCham manufacturing taskforce regularly to facilitate ongoing dialogue and engagement.

In addition to the current Presidential Investment Council (PIC), a Business Climate Observatory will also be established within the department of industry to service and support the PIC in intergovernmental conversations and regulatory business climate issues.

The government through the Kenya Investment Authority (KenInvest) will continue to enhance its existing repository of information on investment opportunities by sector and counties, and investment regulations, to increase ease of access to information and transparency, encouraging private sector participation.

ROUNDTABLE 2: SPOTLIGHT ON AFFORDABLE HOUSING AND INFRASTRUCTURE

Sixty percent of urban dwellers in Kenya live in slums, and 80 percent pay rent. To meet the challenge of providing affordable and decent housing, a necessary first step to improved quality of life, the Kenyan government aims to provide 500,000 affordable houses by 2022 under the Big Four Agenda framework. This roundtable discussion focused on the opportunity for investments in the provision of affordable housing based on this government framework.

Delegates discussed the following government plans and framework under the Big Four Agenda pillar on affordable housing:

Social Housing

Cabinet representatives present outlined that plans are underway to establish a National Housing Development Fund that will consolidate funds to enable building of low cost houses of up to Sh1.5 million. Amendments have also been proposed to the Employment Act to provide employer contribution to the National Housing Development Fund, for each employee under their employ at 0.5 per cent of the employee's gross monthly earnings subject to a maximum of Sh5,000 and matching employee contribution of 0.5 per cent of their monthly gross earnings. These contributions will enable the government to raise USD 20million monthly for development of social housing on government owned land to tackle housing in slum areas.

Mortgage Lending

To fill the mortgage gap, the government explained it has come up with the Kenya Mortgage Refinance Company, an initiative of the National Treasury and the World Bank that will support the affordable housing agenda by providing secure, long-term funding to mortgage lenders, thereby increasing the availability and affordability of mortgage loans to Kenyans.

Government – Private Sector Partnerships

The government is packaging bankable projects with minimum market and credit risks that will assure investors of security and returns. Delegates outlined that private sector participation in this sector is currently hindered by challenges such as high cost of land for development, high construction costs, limited access to financing opportunities, corruption, barriers in internal government processes, and lack of urban planning. Cabinet representatives present acknowledged these challenges, reiterating ready solutions inherent in the Big Four framework on affordable housing such as government owned land provided at no cost to developers, adoption of mass standardized units to take advantage of economies of scale and removal of barriers in government approval processes.

Recommendations

- Adoption of alternative building technologies to cut construction costs and increase efficiency.
- The government was encouraged to ensure proposed projects are bankable to increase the probability of private sector participation.
- Government facilitation of external financing opportunities for private developers, international financiers in particular, was discussed as a means of enabling private developers take advantage of the current opportunities in this sector.
- Curbing corruption in the industry was highlighted as a key way to ensure successful private sector participation.

ROUNDTABLE 3: SPOTLIGHT ON UNIVERSAL HEALTHCARE

Kenya's goal of achieving universal health coverage including a 50% reduction in out of pocket medical expenses and 50% increase in health workers requires private sector financial, technological and expertise contribution to succeed. However, to participate fully, the private sector will be required to interrogate their models to encompass delivery of quality health services around both public health and community healthcare.

Delegates discussed available opportunities for private sector investment in providing access to medical products – production and distribution of pharma, medicine, technologies and equipment – in the entire healthcare chain and training solutions to increase numbers and capacity of healthcare workers. Two examples of successful government – private sector partnerships in healthcare were highlighted during the discussion: The General Electric managed equipment service currently equipping 98 health facilities in Kenya and MyDawa, an online supply chain and pharmaceutical company that works towards making medicines more affordable – 20% below the market rate, to patients through the mobile phone and deliveries.

Recommendations

- Policy and law amendments to entrench mandatory health saving or insurance incentivized by fund matching.
- Health records to include patient digital identity and complete end to end patient information.
- NHIF to move from capitation to direct reimbursement for services rendered and leave health service providers to cater for the cost of assets.
- Appropriate margins from national assets for example tourism, electricity, land or water, or a levy charged from these be directed to fund health services giving indirect value to citizens living in the domain of these national assets.
- Setting up centers of excellence in specialized treatment, research and management of non-communicable diseases such as cancer to facilitate development of standards in provision of healthcare services and benchmarking.
- Adoption of innovative training solutions for healthcare workers including e-learning solutions to increase capacity and level of specialization and facilitate other models of learning including peer learning and training of trainers to match international standards.
- Utilization and adoption of technological advances for medical savings and individual health insurance such as preloaded saving cards, MTiba, and MPESA transactions.
- Policy and law amendments to entrench mandatory health saving or insurance incentivized by fund matching.
- Build mobile and internet-based technology platforms for increased access to health services, improved data and record management and transparency in health management.
- Develop primary stock locations and adopt use of technology such as drones to improve distribution and access to drugs and medical supplies in hard to reach rural areas.
- Incentivize local manufacturing of health products and medical supplies to reduce purchase costs and improve access.

- Ministry of Health to carry out a Baseline study and stock take of equipment and health workers in the country and then engage all players on areas they can plug in.

ROUNDTABLE 4: SPOTLIGHT ON FOOD SECURITY

With an estimated population of 47 million, 70 % of the Kenyan population relies on Agriculture as the primary economic activity and over 80% of farming is done by smallholder farmers on 1- 3 acres of land. Rapid population growth, while posing a challenge to food security presents a great opportunity for investment in this sector. Only 4% of agriculture in Kenya is based on irrigation, 96% is rain-fed. Opportunities in commercial agriculture, post-harvest management including cold storage solutions, value addition and market access remain largely untapped.

The discussions centered on ongoing initiatives in this sector by both government and private sector players as well as available opportunities for investment in the following areas:

Policy harmonization

There is ongoing work to collapse the many policies in the sector and consolidate them into 3-4 major ones that will drive the agricultural sector in a more efficient manner.

Technology

There are plans for registration of all farmers digitally in partnership with Safaricom. Safaricom's M-Agri department is solely dedicated to agriculture and is developing various platforms/products and ecosystems to enable farmers. It is a social and sustainable business model that aims to smoothen the value chain and provide tangible real time data. There are currently over 800,000 registered farmers on this platform.

Infrastructural support

The Government is scaling up investment in key enablers such as energy, access to water with over 5,000 small ponds dug across the country, and improved agro-

processing technology. There is a national irrigation plan that is to put over 3.2 million acres under irrigation across the country in areas such as Turkana, Kiambere and Tana.

Other investment opportunities

The discussion highlighted investment opportunities in establishment of extensive feedlots, fodder and feed banks with ready market available in the Middle East. An export zone has already been established at Bachuma in the Coast of Kenya to provide infrastructure to quarantine, fatten and export animal products by the government in addition to opening up 1.6 million acres in Galana to investors.

Opportunities in the Blue economy were also highlighted. There is a huge opportunity for intensive Aqua culture, but sufficient fish feed remains a challenge. The marine industry in particular is at a current capacity of 9,000 metric tonnes against a potential of 30,000 metric tonnes. The Mari-culture opportunity i.e. farming of crabs, lobsters and sea weed is yet to be explored.

Farming of resurgent crops such as pyrethrum, cotton, potatoes, rice, coffee, tea and horticultural crops was also highlighted as a growing opportunity, in addition to supply of high quality, disease resistance seeds.

Access to credit

With only 1% of small holder farmers having access to credit, yet processors struggle to get raw material, the government highlighted efforts to improve access to credit through restructuring the Agricultural Finance Corporation. The private sector was urged to explore providing affordable mechanization to farmers.

Recommendations

- Introduction of a smart subsidy program to allow for promotion of responsive primary production.
- Focus on building robust value chains i.e. agro-industrialization which will drive value processing and therefore secondary production.

- Develop robust government initiatives to promote education and sensitization of farmers on commercial agriculture.
- Enhance collaboration, engagement and linkages with all stakeholders in the sector including corporates and other private sector players, development partners, farmers and the government to provide a platform for exchange of ideas and solutions and leveraging on existing work to avoid duplication of effort.
- Offer innovative solutions to funding specifically tailored to the agricultural economy.
- Harness technology to drive Information/data gathering and sharing to provide training opportunities to farmers and market analysis.

ROUNDTABLE 5: SPOTLIGHT ON WORKFORCE DEVELOPMENT

With the informal sector providing approximately 80 percent of the job opportunities in Kenya, the government's focus is on conducting training and mainstreaming skills such as masonry, electrical work, and welding identified as key gap areas, through institutions such as the National Industrial Training Institute (NITA). Kenya is also working towards accrediting these courses with international institutions to ensure international standards and competitiveness. In addition, the Ministry of Education in collaboration with USAID has developed a competence-based curriculum which, through ongoing reform efforts, is being infused into the technical vocation education and training system. Currently, over 50,000 people are receiving training in energy and the textile industry. This roundtable discussion deliberated on solutions to support workforce development efforts and bridge the skill gap for the realization of Kenya's Big Four agenda.

Cabinet representatives present assured delegates of the consultative nature of training decisions to align to labor and industry needs. The training curriculum is being reviewed to factor in employer needs and put in more emphasis on hands-on skills, to give graduates opportunity in either formal or self-employment. Internship guidelines are also in the pipeline that will ensure that trainees are well prepared for employment.

Two successful local initiatives in workforce development were highlighted – the USAID K-Yes program offering vocational training in partnership with 102 institutions at the county level and Generation Kenya, a McKinsey initiative in partnership with USAID which has graduated over 8,000 people who have been absorbed by over 160 employers.

Recommendations

- Capacity building, formal regulation and oversight of technical and vocational colleges to ensure that they offer relevant, internationally competitive and accredited training to match market needs.
- Encouraging diversified learning and training alongside a campaign to change perceptions on vocational work.
- Focus on non-technical, soft skills required to succeed in the workplace environment with introduction of training and coaching opportunities in this area.
- Clarify and harmonize institutional mandates for implementing institutions to avoid overlaps.
- Enhance public- private sector partnerships to accelerate the closing of skill gaps.
- Skills transfer: Government to strategize on ways to tap into skills that are brought in by expatriates so that by the time a specific project comes to an end, the locals can take over and carry on.
- Provide funding for external training opportunities to reduce overreliance on expatriates.

ROUNDTABLE 6: SPOTLIGHT ON THE DIGITAL ECONOMY

Kenya is well advanced in technology. Kenyans transact approximately Sh15 billion daily on MPESA, a revolutionary mobile money transfer service developed in Kenya. There are 20 million active smart phones in the country mostly used for social media, but which can be used for development and to push the Big Four Agenda.

The discussions centered on opportunities in digitization of data with Cabinet representatives outlining government plans to digitize individual personal data, and across all ministries and service areas. The digitization of the lands ministry which saw a drastic increase in revenues collected was cited as a success story which the government plans to replicate. M- Akiba, a government issued, mobile traded retail bond, was also highlighted as another success as it saw the government bond share holder increase from 18,000 to 300,000 accounts.

Artificial intelligence, blockchain, big data, access to information, data protection, and language policy were also highlighted as areas of investment opportunity corresponding to government priorities under the Big Four Agenda. The private sector was encouraged to engage with government through the “White Box” initiative, a technology hub that is meant to acquire tech solutions to improve government service delivery through a centralized procurement system.

Recommendations

- Increased cooperation between government and private sector through the “White Box” initiative to collect ideas and innovations from the private sector.
- Focus on change-driven solutions of which technology can be an enabler.
- Increased partnerships between small and large companies in the private-sector space to increase capacity to deliver.

Our development agenda in the next 5 years will make Kenya a big investment destination...We invite U.S. companies to work with us on the Big Four Agenda. We have a strong private sector and I encourage you to partner with Kenyan investors. We consider the private sector as the engine of economic growth.”

President Uhuru Kenyatta

Hand-in-hand, we've improved the lives of Kenyans and Americans alike. This summit is yet another step forward and a great opportunity for us to deepen the economic partnership.

Robert Godec, U.S. Ambassador to Kenya

PICTORIAL



President Uhuru Kenyatta addressing the Summit and engaging in a question and answer session with delegates



Deal signing session – U.S. Ambassador to Kenya Robert Godec and Principal Secretary for Energy Dr. Eng. Joseph Njoroge signing the Power Africa-Government of Kenya Cooperation Framework.

Roundtable session on workforce development



President Uhuru Kenyatta (*front center*) with the U.S. Under Secretary of Commerce for International Trade Gilbert Kaplan (*front right*), President of the U.S. President’s Advisory Council on Doing Business in Africa Jay Ireland (*front-second right*), Former Director-General of the UN office in Nairobi Ms. Sahle-Work Zewde (*front-far right*), Former Cabinet Secretary for Trade Aidan Mohammed (*front left*), U.S. Ambassador to Kenya Robert Godec (*front-second left*), Cabinet Secretary for Transport, Infrastructure, Housing & Urban Development James Macharia (*front-far left*), AmCham members and visiting members of the President’s Advisory Council on Doing Business in Africa.



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