

STATEMENT BY MS. CAROLE KARIUKI, CHIEF EXECUTIVE OFFICER OF THE KENYA PRIVATE SECTOR ALLIANCE (KEPSA) AT THE 22ND KEPSA ANNUAL GENERAL MEETING (AGM)

Driving Resilience and Institutional Transformation

The past financial year has robustly demonstrated the resilience and agility of Kenya's private sector. According to the **KNBS Economic Survey 2026**, Kenya's economy maintained a steady and healthy growth trajectory, achieving a real GDP expansion of **4.6%**. This momentum was broad-based, fueled by a dynamic **55%** contribution from the services sector—led by a remarkable recovery in accommodation and food services, alongside steady performances in finance, insurance, and ICT. Crucially, macro-stability was further anchored by easing inflationary pressures, which dropped to an average of **4.1%**, down from 4.5% the previous year, alongside a stabilizing exchange rate environment and a progressive lowering of the Central Bank Rate (CBR) to ease commercial lending rates.

This growth is a testament to the sheer adaptability of the Kenyan Private Sector, which continued to anchor the country's economic gravity even while navigating complex global and domestic crosswinds. Over the past year, the private sector has successfully managed supply chain bottlenecks such as elevated freight costs arising from regional and maritime geopolitical tensions. Enterprises also proactively aligned with shifting global regulatory frameworks, such as the European Union's Deforestation Regulation (EUDR) and evolving international aid mandates. Domestically, KEPSA aggressively advocated for corporate stability amidst policy unpredictability and continued to push for the systematic resolution of outstanding government pending bills to unlock vital market liquidity.

Through it all, Kenya's private sector did not merely survive; it strategically adapted, ensuring the country remains the undisputed economic hub of East Africa.

Internal Transformation: Delivering "One KEPSA model"

Today, KEPSA has evolved beyond a traditional business advocacy organization into one of Kenya's largest private sector platforms driving youth employment, entrepreneurship, governance, SME growth, digital transformation, women empowerment, and sustainable development.

For KEPSA, this period marked a pivotal transition from strategy development to the full-scale execution of our Business Strategy that lapses in 2027. Central to this phase was the consolidation of our operations into the **"One KEPSA"** model. Driven by deep-rooted institutional reforms, we established a dedicated Project Management Office (PMO), harmonized our internal organizational structure, and unified our finance and reporting systems to ensure maximum corporate agility, transparency, and accountability.

This institutional rigor yielded outstanding financial and operational dividends:

- **Financial Turnaround:** The year closed with a robust financial surplus of **KShs 39 million**, representing a significant structural turnaround from the deficit of KShs 59 million recorded in the previous financial year.
- **Revenue Diversification:** This transformation was fundamentally driven by the strategic commercialization and strengthening of **KEPSA Consult** alongside disciplined, high-impact expense management.
- **Membership Confidence:** Reflecting the private sector's deep trust in our advocacy mandate, membership subscriptions grew by **10%**. This expanding mandate reinforces KEPSA's financial resilience and solidifies

our position as the apex voice fostering a competitive, predictable, and world-class business environment in Kenya.

Strategic Alignment with National Priorities

Guided by our anchor documents, the Simba Era Strategy, and the Business Strategy 2023-2027, we successfully aligned our efforts with the country's development agenda. These foundational blueprints shaped our policy and regulatory engagements to unlock vital private sector investment.

In tandem with these efforts, KEPSA continued the seamless implementation of its 2023–2027 strategic cycle, focusing on four core pillars: becoming a **Trusted Partner**, serving as an **Enabler & Grower of the National Cake**, acting as a **Thought Leader for the 21st Century**, and pivoting **From an Inward to an Outward-Facing Kenya**.

The achievements outlined below demonstrate how each strategic objective has systematically enhanced our institutional resilience, unlocked sustainable value, and driven a more profound organizational impact within a rapidly evolving economic and geopolitical landscape

A. Trusted Partner: through the Robust Public-Private Dialogue

1. Engagements with the Executive:

Engagement with the Presidency

The 5th Presidential Round Table (PRT), convened on 6th August 2025, at the Ole Serani Emara Hotel, aimed to review progress from previous PRTs and address emerging trade challenges from both global and local perspectives in the context of the evolving global trade landscape. Previous PRTs focused on key sectors,

including Tourism, Labour, Manufacturing, ICT, Financial Services, and Agriculture. The 5th PRT was coordinated by the Ministry of Investment Trade and Industry and KEPSA as the umbrella body of the private sector in Kenya.

The 5th PRT emphasised strategies to navigate the new world order on trade, fostering candid discussions to promote a conducive environment for private sector growth. Instituted by the Presidency in collaboration with the Kenya Private Sector Alliance (KEPSA), the PRT continues to serve as a vital dialogue platform to enhance Kenya's economic growth and development.

Engagement with the Deputy President

Following the Presidential Round Table, all subsequent strategic follow-up actions and policy resolutions have been systematically coordinated through the Office of the Deputy President. To ensure targeted execution, the primary interventions were structured into four specialized operational workstreams: Tax Administration and Tax Policy, Counter-Illicit Trade, County Own-Source Revenue, and Energy Efficiency.

These technical workstreams maintain a consistent meeting schedule to actively troubleshoot and resolve cross-cutting bottlenecks affecting private sector operations.

Concurrently, KEPSA's diverse Sector Boards have maintained momentum by continuing to engage the Executive branch of government. This continuous public-private dialogue is actively facilitated through Ministerial Stakeholder Forums (MSFs), ensuring that sector-specific advocacy priorities are consistently aligned with ministerial agendas to drive a predictable and competitive business environment.

Notable engagements with Ministries, Departments and Agencies.

1. Digital Economy & Tech Governance

We convened a **Ministerial Stakeholder Forum (MSF)** with the **Ministry of Information, Communications, and the Digital Economy**. This strategic engagement led to the institutionalization of **four (4) specialized Cluster Working Groups**, designed to co-create policy frameworks and regulatory guidelines in the following critical technological frontiers:

- **Artificial Intelligence (AI):** Formulating ethical frameworks and deployment guidelines to drive enterprise adoption.
- **Cybersecurity:** Enhancing national business resilience against evolving systemic digital risks.
- **Infrastructure & Licensing:** Streamlining the regulatory environment to attract infrastructure investment.
- **Digital Hubs & Talent Training:** Scaling the digital workforce pipeline to support the global gig and tech economy.

Capacity Building & Specialized Training: Supported specialized counter-terrorism and protective security training protocols for over **28,000 private security personnel**, directly enhancing national business-resilience infrastructure.

2. National Security, Safety, and the Experiential Economy

We engaged the **Ministry of Interior and National Administration** through a targeted MSF.

- **Policy Output:** Developed a comprehensive **White Paper** diagnosing structural bottlenecks and security challenges faced by specialized private sector associations operating within Kenya's commercial events and hospitality sectors.

- **Strategic Commitment:** Secured a formal enforcement and operational commitment from the Ministry to partner directly with KEPSA, the Events Managers Association of Kenya (EMAK), and allied associations. This public-private alliance establishes a standardized framework for securing major regional and international sporting and corporate events, safeguarding Kenya's reputation as a premium global event hub.
- **Licensing & Data Privacy:** Successfully negotiated the administrative reinstatement of nine (9) suspended corporate security operator licenses, and capacity-built 49 member organizations on corporate compliance under the **Data Protection Act**.

3. Intellectual Property Rights & Combating Illicit Trade

To protect market integrity and foster fair competition, KEPSA, in strategic partnership with the **Anti-Counterfeit Authority (ACA)** and **Bic East Africa**, convened a high-level **C-Suite Roundtable on Combating Illicit Trade in Kenya**.

- **Impact & Output:** The roundtable successfully aligned regulators, law enforcement agencies, and manufacturing sector captains. The deliberation culminated in a robust, multi-stakeholder **Policy Recommendations Matrix**. The recommendations outline actionable strategies for legislative alignment, border enforcement automation, and enhanced public-private intelligence sharing to systematically eliminate intellectual property theft and counterfeit goods from the domestic supply chain.

4. Sports Development and the Creative Economy

We engaged with the **National Olympic Committee of Kenya (NOC-K)** to bridge the gap between sports administration and private sector capital.

- **Focus Areas:** The interventions prioritized athlete welfare, sustainable funding models, and commercial sports pipelines ahead of major upcoming global assignments.
- **Economic Integration:** By leveraging KEPSA's extensive corporate network, the council successfully championed the integration of sports into the broader **creative and experiential tourism ecosystem**. This advocacy unlocked exclusive commercial event pipelines, creating viable downstream investment and monetization opportunities for KEPSA members within the experience economy.

Engagement with Kenya Revenue Authority

Through the KEPSA and Kenya Revenue Authority (KRA) Board engagement, the following critical taxpayer relief and optimized revenue administration were unlocked:

- **Withholding Tax Credit Resolution:** Secured formal staff guidelines under Section 42 of the Tax Procedures Act, successfully expunging erroneous historical liabilities (2015–2018). This restored impacted businesses' access to Tax Compliance Certificates (TCCs) and historical refund claims.
- **iTax Platform Optimization:** Facilitated a daily-updated taxpayer dashboard for VAT auto-population, enabling real-time input tax reconciliations and credit-note error corrections while preserving the statutory principle of self-assessment.
- **eTIMS Public Sector Enforcement:** A National Treasury Circular that eliminated billing and payment disruptions for private-sector

members who are state suppliers amidst the strict enforcement of eTIMS.

- Formally established the **KEPSA–KPLC Working Group** with Kenya Power ahead of the scheduled tariff review cycle to proactively insulate and safeguard industrial manufacturing competitiveness.

2. Engagements with the legislature;

KEPSA substantially escalated its legislative advocacy during the reporting period, submitting 21 comprehensive legislative memoranda to safeguard and strengthen the private sector's position within national law-making processes. Beyond these formal submissions, KEPSA maintained consistent institutional momentum by routinely meeting with various Standing Committees in the Senate and Departmental Committees in the National Assembly. These continuous technical engagements provided a vital pipeline to discuss and resolve critical sector-specific issues across key economic pillars, including Energy, Health, Trade, and Finance.

Engagement with the Senate: Convened under the transitional and progressive legislative calendar of the 13th Parliament, the Senate Liaison Committee held its 2nd Strategic Roundtable with the Kenya Private Sector Alliance (KEPSA). This high-level dialogue brought together distinguished Members of the Senate Liaison Committee and captains of industry from the private sector.

Anchored on the theme, “Enhancing County Competitiveness: Fixing the Red Tape, Fueling Investments,” the Roundtable served as a critical Public-Private Dialogue (PPD) platform. The engagement was specifically engineered to tackle systemic regulatory bottlenecks, streamline sub-national trade barriers, and chart an agile, sustainable path forward that positions Kenya’s 47 counties as primary engines of inclusive economic growth, production, and wealth

creation.

Engagement with the National Assembly; We held the 8th Speaker's Round Table with the National Assembly, a pivotal engagement designed to reinforce and deepen the commitment between the legislature and the private sector. By fostering collaborative dialogue, this partnership aims to drive critical policy reforms and strategic interventions that enhance the investment climate, streamline trade facilitation, and strengthen key social sectors.

Chaired by the Speaker, Rt. Hon. (Dr) Moses M. Wetang'ula, EGH, MP, the 2025 National Assembly Speaker's Round Table was held on November 6, 2025. Anchored on the theme *"From Policy to Practice: Delivering through Business and Government Partnership,"* the forum was structured to facilitate highly focused, sector-specific discussions. These interactive sessions brought together key Departmental Committees including Energy; Health; Communication, Information and Innovation (ICT); Trade; Regional Integration; and Finance and National Planning and culminated in a mutual agreement on 19 actionable commitments and resolutions.

3. Engagement with the Judiciary:

KEPSA expanded its institutional partnership with the Judiciary through a series of key initiatives designed to streamline access to justice and enhance the commercial operating environment for businesses, particularly Micro, Small, and Medium Enterprises (MSMEs). As part of this engagement, KEPSA actively participated in a public participation forum organized by the Small Claims Court Standing Committee to review critical proposed amendments to the Small Claims Court Act, the Small Claims Court Rules, and the Advocates Remuneration Order.

Additionally, we continued with the targeted capacity-building and corporate awareness initiative organized in collaboration with the Dagoretti Small Claims Court and the KEPSA SME Department. This specialized session focused on equipping MSMEs with vital legal and practical knowledge regarding rapid debt recovery procedures, positioning the Small Claims Court as a highly cost-effective and accessible vehicle for resolving outstanding commercial disputes. Further, KEPSA trained 40 Environment and Land Court judges on advanced land-use planning, GIS technologies, and climate-resilient practices, enhancing judicial capacity to handle land and environmental disputes.

4. Driving Sub-National Growth through Strategic County Engagements

To catalyze local economic development, KEPSA formally partnered with Kenya's six sub-national Regional Economic Blocs (REBs). This collaborative framework anchored by a historic Memorandum of Understanding (MoU) and the successful launch of the KEPSA–County Regional Economic Blocs Roundtable in 2025 is designed to advance county-level investment, foster robust public-private dialogue, and unlock regional growth potential.

A key focus of this initiative has been enhancing local business competitiveness. KEPSA actively engaged with several county governments, including Kiambu, Taita Taveta, Mombasa, and Makueni, to review and address various local acts that directly impact the ease of doing business.

Furthermore, KEPSA played a pivotal role as part of the technical team drafting the regulations to implement the County Licensing (Uniform Procedure) Act. Thanks to these concerted efforts, the regulations have now been officially gazetted, marking a major milestone toward streamlining licensing processes and creating a more predictable, business-friendly environment across all counties.

B. An Enabler & Grower of the National Cake through Transformative Programs and Projects

Our programs delivered measurable impact across diverse sectors:

I. Youth and Jobs:

KEPSA is steadfastly committed to addressing youth unemployment through a multi-sectoral approach anchored in six strategic Youth Employment Domains: the Digital Economy, Skills Development and Technical Training, Entrepreneurship Development, Youth Labour Market Intermediation, the Creative Economy, and Policy, Research and Thought Leadership. Through these interconnected areas, KEPSA expands digital access and skills, strengthens TVET and training systems, supports enterprise growth and green jobs, improves school-to-work transitions, unlocks opportunities in the creative sector, and shapes enabling policy and knowledge systems for youth employment. This commitment has already resulted in the creation of over 550,000 employment opportunities for young Kenyans, driving not only job creation but also sustainable livelihoods, skills progression, and upward mobility through close collaboration with government, development partners, and the private sector.

A flagship example of this work is the **NYOTA On-the-Job Experience (OJE) Programme**, implemented under a three-year contract signed in April 2026 with the State Department for Youth Affairs, Creative Economy and Sports and funded by the World Bank. Under Lot 1, KEPSA is targeting 11,537 youth across Nakuru, Bomet, Narok, Kisii, Kericho, Homa Bay, and Nyamira Counties. Through partnerships with master craftsmen, SMEs, and formal employers, the programme provides practical workplace experience aligned to local

economic opportunities in sectors such as construction, trade, agriculture, and services. To date, over 8,000 youth have been placed—69% of the target—with more than 2,500 employer and master-craftsman partners mobilised. The programme is strengthening employability while demonstrating KEPSA's capacity to deliver large-scale youth placement interventions across both the formal and informal economy.

Complementing this effort is the **NYOTA Business Development Services (BDS) Project** in Tana River County, funded by the Micro and Small Enterprises Authority under a World Bank facility. The programme targets 1,260 youth in one of Kenya's most underserved regions, equipping them with entrepreneurship, financial literacy, business planning, record-keeping, and market access skills. Through localized facilitation and structured mentorship adapted to the county's unique challenges, participants are supported to establish, formalise, and grow enterprises. As the project enters its final mentorship phase, 1,222 youth have been reached, representing 97% of the target and demonstrating KEPSA's ability to deliver high-impact entrepreneurship interventions even in remote and underserved contexts.

KEPSA is also advancing inclusive employment through the **WINGS Project—Work, Inclusion, Growth and Sustainability for Women, Youth and Persons with Disabilities**. Implemented through an eleven-member consortium and funded by Fondazione l'Albero della Vita ETS and the Italian Agency for Development Cooperation, the project runs until October 2028 across Nairobi, Mombasa, Kisumu, Eldoret, and Nakuru. Recognising domestic care work as a significant yet largely informal employer of women and youth, the project seeks to professionalise childcare, eldercare, household support, and cleaning services. KEPSA's role focuses on labour market linkages, placement of 400 women into employment, and career orientation for 450

students. Labour market assessments and inclusive employment frameworks currently under development will help formalise the sector, improve labour standards, and create sustainable pathways to decent work.

In the digital economy, the **Ajira Digital Programme 1.0**, implemented between 2020 and 2025 with support from the Mastercard Foundation, established Kenya's largest digital employment ecosystem. Operating nationally and deliberately reaching youth in ASAL regions, rural communities, refugee populations, and persons with disabilities, the programme equipped young people with skills in digital marketing, data annotation, transcription, customer support, software development, e-commerce, freelancing, and AI-enabled services. Through partnerships with over 300 ecosystem actors and initiatives such as the Judiciary Digitisation Project, Ajira created 471,076 direct and indirect jobs, trained over 400,000 youth, issued 291,083 certificates, supported 62,241 enterprises, and reached more than 3.6 million Kenyans with information on digital work opportunities.

The Ajira Digital program greatly improved my confidence and independence. I now believe in my ability to create opportunities through digital work rather than waiting for them to come. I see myself as someone capable of contributing to businesses and mentoring others. It was my first time seeing how digital storytelling can grow a business, and how digital skills can really open doors across various industries. Ajira's support through KEPSA gave me a sense of belonging and confidence. Friends who have watched me grow through Ajira have become curious about digital work, and some have even started learning about freelancing and social media marketing. Keep growing such opportunities and especially for us young women. The right guidance changes everything."- Elizabeth Kanini

Building on this success, **Ajira Digital Programme 2.0**, currently under final contracting with the Mastercard Foundation, will target 226,500 financially disadvantaged youth over five years. The programme prioritises women, persons with disabilities, refugees, internally displaced persons, and youth in ASAL counties, deep rural communities, and informal settlements such as Kibera and Mathare. Delivered through partners including eMobilis, Moringa School, and BrighterMonday Kenya, the programme combines digital skilling, mindset transformation, mentorship, internships, apprenticeships, entrepreneurship support, and employer engagement. Its ultimate goal is to transition 150,000 young people into decent work while deepening Kenya's digital employment ecosystem.

Recognising the growing importance of artificial intelligence, KEPSA launched the **Kenya AI Skilling Alliance (KAISA)** in October 2025 in partnership with Microsoft and the International Labour Organization. The initiative seeks to train one million individuals, issue 500,000 AI certifications, and engage over 100 ecosystem partners. Through AI literacy, certification pathways, educator capacity building, policy dialogue, and enterprise engagement, KAISA is democratizing access to AI skills and positioning Kenya as a regional leader in AI talent development and future workforce transformation.

“I wanted practical digital skills that could help me grow academically and professionally,” “I was navigating an environment where resources were limited, but my passion for technology and self-development kept me motivated.”
“Further formal education was financially challenging at the time. Accessing

structured digital courses and certifications without the cost barriers meant I could continue building my skills instead of waiting for circumstances to change.”
“Before the program, I was curious about technologies like AI and cloud computing. Now I understand them at a structured level, and I feel equipped to continue building on that knowledge.” — **Mariam Achieng Anyango, currently pursuing studies in the Netherlands and opening doors through digital skills.**

Through the **Twende Digital Project**, implemented with Twiva and supported by the Challenge Fund for Youth Employment, KEPSA demonstrated how SME digital transformation can drive job creation. Working with 601 SMEs, the project provided hands-on coaching in digital marketing, e-commerce, social commerce, and platform adoption. Through the Twiva platform, 834 youth influencers and digital marketers were connected to income-generating opportunities. The project generated 1,843 new jobs, improved 1,235 existing jobs, and enabled participating enterprises to strengthen competitiveness, resilience, and sales performance.

KEPSA is also addressing the skills-to-employment gap through the **TVET-E Project**, implemented on behalf of the Ministry of Education's State Department for TVET and funded by the African Development Bank Group. The project targets 1,200 internship placements while strengthening institutional capacity within the TVET ecosystem. Key interventions include internship placements, work-readiness training, capacity building for Industry Liaison Officers and Career Service Officers, and a Digital Skills Accelerator Lab focused on digital economy and AI competencies. To date, 350 officers have been trained across 51 institutions, 314 employers engaged, and 502 graduates placed in workplaces, with strong inclusion outcomes for women and persons with disabilities.

“What inspired me to join the Technical & Vocational Education and Training & Entrepreneurship Project (TVET-E), was the opportunity to explore different environments and gain valuable experience in my career field,” “One of the biggest challenges was finding an internship opportunity that would help me grow and develop personally.” “During my internship, I learned a lot under my supervisor and was given tasks that aligned with my career. The experience equipped me with the practical skills and confidence required to meet the expectations of today’s job market,” “I began to communicate more effectively, participate actively in professional spaces, and understood the importance of accountability and decision-making in the workplace.” “The program has significantly changed me; I am now able to address people confidently in meetings and make decisions with assurance, and I see myself differently unlike before.” “It has inspired others, especially those who studied at technical colleges, to apply for the same opportunities” **Sophia Koech’s-from Baringo**

Finally, through the **NextGen.Ke Initiative**, implemented in partnership with UNDP and the Government of Kenya, KEPSA is supporting 500 graduates as they transition from education to employment. The programme combines structured internships with monthly stipends and private-sector placement opportunities aligned to participants' fields of study. By reducing financial barriers, strengthening workplace exposure, and building employer networks, the initiative is improving employability and accelerating young graduates' entry into decent work opportunities across Kenya.

Across these programmes, KEPSA continues to strengthen its position as Kenya's leading private-sector convener on youth employment. Through strategic partnerships, innovative delivery models, and evidence-based interventions,

the organisation is creating pathways to jobs, entrepreneurship, digital livelihoods, and future-ready skills—ensuring that young Kenyans are equipped not only to participate in the economy, but to drive its transformation.

II. Green Growth, Circular Economy, and Climate Action

Under KEPSA Consult, we are currently implementing two flagship circular economy projects that are advancing Kenya's green growth and sustainability agenda. Through the Development of a National Circular Economy Strategy and Implementation Plan (CESIP) for Kenya, a EUR 100,000 project funded by the Finnish Innovation Fund Sitra through the EU Circular Economy Resource Centre (EU CERC), KEPSA is supporting the development of a national framework for circular economy implementation, strengthening governance systems, and coordinating stakeholder engagement across five priority sectors: plastics, agriculture and food systems, textiles and fashion, electrical and electronic equipment, and mining, quarrying and construction.

Additionally, through Tujenge Pamoja: Advancing Kenya's Circular Economy through MSMEs, a EUR 5.5 million European Union-funded initiative under the SWITCH Kenya GREEN Programme, KEPSA is leading efforts to strengthen MSME competitiveness, improve access to green finance, promote circular business models, and support policy implementation. The project targets 3,200 MSMEs across eight counties, including 50% women-led and 60% youth-led enterprises, while strengthening business support organizations, policymakers, and financiers to create green jobs and accelerate sustainable economic growth.

Sustainable Inclusive Business Kenya (SIB-K):

SIB-K marked a decade of sustainability leadership in 2025. SIB-K continues to spearhead the adoption of circular economy solutions, climate action, and inclusive economic development across the private sector. By embedding sustainability, equity, and long-term environmental and social impact into core business operations, SIB-K successfully aligns private sector activities with global and national sustainability agendas. Specifically, SIB-K had the following key successes which have been captured in detail in the report,

- The 10th Annual Circular Economy Conference:
- The Kenya Plastics Pact (KPP):
- Sustainable Manufacturing & Environmental Practices (SMEP):
- Extended Producer Responsibility (EPR) Collaboration:
- Textile & Fashion Circularity:
- The COAST Project

III. SME Support:

The SME & Enterprise Development Department has continued the support to enterprise growth through integrated financial linkages, technical assistance, market access, innovation support, and thought leadership. Through the Jiinue Growth Program and complementary initiatives, KEPSA has reached over 18,325 enterprises through financing and 19,028 through technical assistance, with a cumulative KSh. 471.1 million disbursed, contributing to improved business performance, financial inclusion, and enterprise resilience across the country.

While Nairobi remains a key hub, accounting for 27.3% of share of program participation, the majority of enterprises supported are distributed across

over the remaining 46 counties nationwide, reflecting KEPISA's growing role in expanding access to opportunity beyond urban centers and strengthening regional enterprise ecosystems. The program has also advanced inclusive growth by supporting 1,225 refugees and 2,867 persons with disabilities, demonstrating a deliberate focus on reaching underserved and marginalized groups.

Beyond numbers, the program is driving tangible enterprise-level change. SMEs are transitioning from cash flow instability to operational stability, increasing sourcing capacity, expanding into new markets, and building confidence to engage with formal financial systems.

A Lilian Mwiruri, co-founder of Agrisafe Kenya Ltd, overcame persistent cash flow challenges in the honey trade through support from the Jiinue Growth Program. With improved financial management and access to funding, she has stabilized her operations, increased sourcing volumes—particularly from Tanzania—hired additional staff, and strengthened her ability to meet institutional demand consistently. Her business has transitioned from constrained supply to reliable market presence, with plans to further expand into new product lines, reflecting how targeted financial support can unlock growth and resilience for SMEs.

Technical assistance activities including investor readiness, specialized support and post lending including mentorship, benchmarking tours has strengthened business practices, with enterprises adopting improved financial management,

compliance, and growth planning, while market linkages have enabled SMEs to access new buyers, participate in regional trade, and integrate into value chains. Innovation support and national platforms such as the SME Conference and Enabler Awards are further positioning SMEs as drivers of economic growth and competitiveness.

Kimani Macharia, founder of Cargo Direct Shipping and Logistics, leveraged benchmarking tours under the Jiinue Growth Program to gain practical insights into corporate governance, operational systems, and strategic partnerships. Through exposure to established companies like AGL, he developed a clearer vision for scaling his business from a startup into a structured, competitive enterprise. This experience has strengthened his operational approach, expanded his networks, and positioned his company for long term growth.

This period reflects a clear strategic shift from training SMEs to enabling national enterprise ecosystems. KEPSA has moved beyond delivering isolated interventions to building a connected system where finance, capacity building, and market access reinforce each other. The result is visible across three levels: at the enterprise level through improved stability and growth; at the ecosystem level through stronger linkages between SMEs, markets, and finance; and at the institutional level through KEPSA's positioning as a national SME enabler with growing influence across sectors and regions.

IV. KEPSA Foundation

KEPSA Foundation continued to drive socio-economic transformation through its priority areas. Under the Governance and National Values priority area, the Foundation advanced the Mkenya Daima initiative by undertaking sector-based consultations with youth, economists, and civil society organizations to strengthen the campaign agenda. The initiative also reinforced its partnership with the Independent Electoral and Boundaries Commission (IEBC) through a high-level consultative engagement with the Private Sector led by KEPSA, and other key stakeholders to enhance election preparedness.

Under the Women, Youth, Persons with Disability Empowerment, Leadership and Childcare priority area, the Foundation implemented the first half of the Private Sector Engagement for Women's Economic Opportunity (PSE-WEO) Program, supported by the Gates Foundation. The program aims to unlock and accelerate women's economic mobility through private sector finance and policy investments, while leveraging the voices of women leaders to drive these investments in Kenya. During the last six months, the program operationalized four value chains by strengthening the capacities of ultra-poor women engaged in herbs and spices, potato production, and agricultural aggregation enterprises in Kwale, Kilifi and Kuresoi North.

In addition, the Foundation established a training hub at Wajee Camp in Nyeri County for the rollout of the "Rags to Rugs" community initiative and secured strategic partnerships to facilitate market linkages for products from the supported value chains. The leadership capacity of 400 women was strengthened through networking and mentorship sessions, contributing to a cumulative reach of over 5,000 women to date. This reflects progress toward the programme's target of reaching 17,000 women by the end of the third year.

The Foundation also secured the fifth phase of Better Business Practices for Children funding from UNICEF. This phase, which will also include promotion of First Foods Africa, providing a strategic platform to mobilize the private sector in addressing critical social challenges and unlocking systemic barriers affecting both supply and demand of nutritious foods, as well as workplace and socio-economic constraints influencing caregiver behavior in Kenya.

Under the Community Climate Action Priority area, in partnership with Chandaria Foundation, KEPSA Foundation established an orchard at St. Anna Care Centre in Murang'a County, where over 100 fruit trees were planted, benefiting more than 400 children and members of the school community. Vulnerable pupils were also supported through the donation of essential food items and footwear.

Through a partnership with the Ministry of Environment, Forestry and Climate Change, the Foundation adopted 100 acres of land in Kuresoi North under the Complex Integrated Livelihood Programme. The initiative will engage women in reforestation efforts and livelihood activities, creating opportunities for economic empowerment while contributing to environmental restoration and climate resilience.

Under its Community Outreach priority area, the Foundation successfully held its second Annual Charity Golf Tournament at the Karen Country Club, bringing together more than 200 golfers from various golf clubs and industry leaders for a day of competitive play and strategic networking in support of community transformation initiatives. The event strengthened stakeholder engagement and mobilized support for sustainable social impact programmes.

V. ICC Kenya:

The International Chamber of Commerce Kenya (ICC Kenya), continued to serve as a strategic gateway linking the local business community to global trade frameworks and policy advocacy. In a major institutional milestone, the organization successfully convened its Special Annual General Meeting (AGM) to usher in a future-ready governance structure, which included introducing the new role of Vice Chairperson and electing a highly diverse board of directors drawn from Kenya's premier corporate, legal, and banking sectors. This transition was highlighted by the election of Mr. Julius Opio as Chairperson and Ms. Farida Abbas as the inaugural Vice Chairperson for a three-year term, signaling a renewed strategic roadmap aimed at expanding international commercial influence and reinforcing governance architecture.

Furthermore, ICC Kenya continued with its pivotal role in hosting high-level global and continental forums to accelerate regional economic integration and dispute resolution. In collaboration with the Kenya National Chamber of Commerce and Industry (KNCCI) and the World Chambers Federation, ICC Kenya co-hosted the World Chambers Federation Africa Summit 2025, which advanced critical dialogues on intra-African trade, the implementation of the AfCFTA, SME digitization, and China-Africa economic cooperation. Additionally, they collaborated with ICC Headquarters to host the 9th ICC Africa Conference on International Arbitration, which gathered global practitioners to examine emerging trends in Alternative Dispute Resolution (ADR) such as ESG integration, artificial intelligence, and third-party funding thereby solidly positioning Nairobi as a leading international arbitration and trade hub across the African continent.

C. Inward to an Outward-Facing Kenya through Membership and Partnerships

The Membership and Partnerships Department strengthened KEPSA's leadership as the apex representative of the private sector in Kenya throughout 2025. The year registered steady membership growth, enhanced member value, strategic global partnerships, and strong revenue performance.

KEPSA welcomed 47 new members during the reporting period June 2025 to May 2026, with particularly strong growth among SMEs driven by increased awareness of KEPSA's market, policy, and international opportunities. KEPSA hosted the second Platinum Members Forum in partnership with SeamlessHR, themed "Unleashing Growth Amid Economic Uncertainty: Strategies for Resilience & Innovation." The Know Your Customer initiative strengthened service delivery and revealed member priorities across sector board participation, climate collaboration, market expansion, and integration into KEPSA projects. By May 2026, cumulative revenue from membership reached KES 44.675 million, achieving 59.6% of the annual target of KES 75 million.

KEPSA's Global Engagement & Impact:

Over the past 12 months, KEPSA has executed a deliberate, outward-focused global strategy—expanding our footprint, deepening trusted partnerships, and delivering measurable economic value. This investment in international engagement has firmly positioned us as Kenya's definitive private sector voice, a preferred continental partner, and a gateway to the African Continental Free Trade Area (AfCFTA) for global investors. Every forum, mission, and dialogue was designed to open markets, reduce barriers, unlock capital, and create tangible opportunities for our members and the national economy.

Strategic Highlights & Regional Outcomes

United States & Americas: Leading Advocacy for Trade Continuity

KEPSA took the lead in defending and expanding Kenya's most critical trade preference, ensuring the private sector's interests were central to policy decisions both in Nairobi and Washington.

- **Key Engagements:**

- Kenya–US Investment Forum (New York, September 2025)
- **AGOA Advocacy:** Multi-stakeholder lobbying with the **Kenya National Assembly, Kenya Senate, the Government of Kenya, the United States Congress, the Office of the US Trade Representative (USTR), and the Corporate Council on Africa**
- Bilateral dialogues on supply chain resilience and post-AGOA trade frameworks

- **Leadership & Milestones:**

- Convened a unified private sector position paper presented to the Kenyan Parliament, which adopted a bipartisan resolution supporting the renewal of AGOA and requested government backing for sustained engagement
- Led business delegations to Washington D.C. to meet key committees and industry associations, highlighting how AGOA supports shared economic growth and job creation
- Advocated for a **16-year renewal** to provide long-term planning certainty; simultaneously developed and presented a **transition roadmap** to ensure continuity even if renewal is delayed, including proposals for a modern bilateral trade agreement
- Collaborated with KenInvest and the Ministry of Investment, Trade and Industry to align public and private sector messaging

- **Impact:**

- Protected over **800,000 livelihoods**, including 66,800 direct jobs—75% held by women—across apparel, horticulture, and handicrafts
- Safeguarded **\$470 million in AGOA-eligible exports** recorded in 2024

- Secured commitments to address tariff discrepancies and streamline customs procedures
- Laid the foundation for a comprehensive Kenya–US Economic and Trade Cooperation Agreement

Africa: Driving Integration, Intra-African Trade & Policy Implementation

As the leading private sector representative in Africa, KEPSA turned regional policy frameworks into commercial opportunities, acting as a bridge between governments and businesses.

- **Key Engagements:**

- **COMESA:** Private Sector Forum, Tripartite Free Trade Area negotiations, and regional infrastructure summits
- **South Africa:** Business delegation during Kenya’s State Visit, sector-specific dialogues in manufacturing, agriculture, and logistics
- **Africa Forward Summit:** Represented East African business interests alongside 40+ African and European nations
- Additional engagements: Egypt, Tunisia, Morocco, Nigeria, Rwanda, Tanzania

- **Leadership & Milestones:**

- **COMESA:** Chaired the Private Sector Consultative Committee, led the campaign to eliminate **Non-Tariff Barriers (NTBs)**, harmonize product standards, and reduce border clearance times. Spearheaded the **“North Meets East” Initiative**, which connects East African markets with North Africa through streamlined trade routes and mutual recognition agreements
- **South Africa:** Led the business component of the official delegation, resulting in the signing of sectoral cooperation agreements in agribusiness, pharmaceuticals, and mining services; established a permanent B2B working group
- **Africa Forward:** Advocated for increased local value addition, improved access to trade finance, and better alignment between African production and global markets

- **Impact:**

- Bilateral trade volumes increased by **22–30%** across key COMESA and SADC corridors
- Secured **€300 million in 3-year commitments** for investment in agricultural processing and industrial parks
- Reduced border clearance times by an average of **30%** at major entry points
- Positioned Kenya as the preferred regional hub for logistics, distribution, and services under AfCFTA

Europe: Deepening Strategic Partnerships for Sustainable Growth

KEPSA moved beyond general discussions to formal, action-oriented cooperation, positioning Kenya as a priority destination for responsible European investment.

- **Key Engagements:**

- **Norway:** Dialogues on renewable energy, climate finance, sustainable fisheries, and carbon markets
- **Belgium & Benelux:** Missions to Brussels, Antwerp, and Luxembourg; engagement with the European Commission and EU-Africa Business Forum
- Additional partners: Denmark, Slovakia, UK, Ireland, Iceland, Hungary

- **Leadership & Milestones:**

- **Norway:** Signed a joint cooperation framework focused on green infrastructure, off-grid energy solutions, and sustainable blue economy development; facilitated knowledge exchange between Kenyan and Norwegian enterprises
- **Belgium & Benelux: Officially launched the Kenya–Benelux Chamber of Commerce**, a dedicated platform to promote trade, investment, and business networking; held policy consultations on EU trade regulations and market access
- Signed Memoranda of Understanding with **NABA (Nordic African Business Association)**, **SARIO (Slovak Investment and Trade Development Agency)**, and the **Danish Chamber of Commerce**

- Participated in high-level events including *The Africa Debate* and the Kenya Investment Forum in London, alongside presidential and ministerial delegations
- **Impact:**
 - Secured over **€100 million in confirmed investments** in renewable energy, green technology, electric mobility, agriculture, and healthcare
 - Streamlined approval processes for European investors operating in Kenya
 - Increased technology transfer and technical cooperation in sustainable production methods
 - Reinforced Kenya's reputation as East Africa's leading hub for the green transition

Asia & Middle East: Diversifying Markets & Investment Sources

To reduce dependence on traditional markets, KEPSA expanded outreach to high-growth economies, opening new channels for Kenyan exports and capital inflows.

- **Key Engagements:**
 - Trade and investment forums in India, United Arab Emirates, Singapore, and China
 - Dialogues on infrastructure development, digital economy, and manufacturing
- **Milestones:**
 - Signed cooperation frameworks focusing on manufacturing, logistics, fintech, and agro-processing
 - Established dedicated **Investment Facilitation Desks** to support both Kenyan exporters and foreign investors
 - Organized sector-specific B2B meetings for tea, coffee, horticulture, textiles, and leather goods
- **Impact:**
 - Opened new export markets reaching over **1.5 billion consumers** across Asia and the Gulf

- Attracted capital for roads, energy, and digital infrastructure projects
- Reduced Kenya's trade exposure to economic fluctuations in a limited number of markets

Multilateral Forums: Shaping Global Rules & Agendas

KEPSA ensured that Kenya's business voice was heard in discussions that define global trade, investment, and sustainability standards.

- **Key Platforms:**

- Commonwealth Trade & Investment Summit (London)
- EU–Africa Business Forum
- World Economic Forum (Davos)
- COP30 Climate Summit
- United Nations General Assembly (UNGA) side events

- **Milestones:**

- Championed policies that support local value addition, fairer trade rules, and accessible climate finance
- Successfully advocated for formal private sector representation in the governance structures of AfCFTA and COMESA
- Presented position papers on digital trade, youth employment, and responsible investment

- **Impact:**

- Raised Kenya's global profile as a stable, competitive, and business-friendly destination
- Mobilized over **\$200 million in green finance** for climate-resilient projects
- Ensured that global agreements reflected the realities and opportunities of developing economies

Why This Investment Delivers Value

KEPSA's global engagement is not an expense—it is a strategic investment that yields clear returns:

- **Market Access:** Connecting Kenyan businesses to more than **3 billion consumers** across four continents
- **Capital Mobilized:** Over **€400 million in confirmed investment commitments** across priority sectors
- **Policy Wins:** Successfully removed trade barriers, secured continuity for key trade arrangements, and streamlined cross-border procedures
- **Member Benefits:** Exclusive B2B introductions, real-time market intelligence, policy updates, and partnership opportunities
- **National Positioning:** Kenya is now consistently recognized as Africa's gateway to the AfCFTA and a leading investment destination

This year's results confirm that KEPSA's global reach directly translates into more jobs, higher export earnings, and greater economic resilience for Kenya.

D. Human Resource

We maintained a recruitment freeze during this period, making exceptions only for specialized expertise to ensure full alignment with our business strategy. At the same time, we undertook a comprehensive skills audit to evaluate staff capacity, identify gaps, and implement targeted strategies to strengthen internal competencies.

By investing in the growth of current staff, we are enabling them to take on greater responsibilities in project implementation while remaining aligned with organizational priorities. This approach has reduced reliance on external recruitment, fostered a lean and motivated workforce, and delivered measurable cost savings.

Learning and development remained a priority, with 62% of staff enrolling in partner-supported short courses. In addition, staff participated in in-house training on artificial intelligence and grant writing. Employee health and wellness were also prioritized through structured programs delivered in partnership with

external organizations, promoting mental well-being, strengthening engagement, and enhancing overall performance.

E. Corporate Communication and Public Relations

Over the past financial year, KEPSA significantly strengthened its position as the unified voice of Kenya's private sector through a focused communications and public relations strategy anchored on visibility, institutional agility, and member value. Under the One KEPSA model, we streamlined processes to deliver advocacy, communications, membership recruitment, and partnership initiatives through a single coordinated structure, which has since helped improve efficiency and member engagement. The impact is evident in our reach and influence: a press conference articulating our policy position and proposals on the Finance Bill 2026, a KEPSA Media Tour, featuring high-level interviews with national and international media such as Forbes, NTV, Citizen and KTN, to saturate the public discourse on economic issues, 26 press releases projecting KEPSA's voice on key economic and legislative matters, including on the National Land Commission (NLC) merit-based appointments, and commending the U.S. Congress on passing the AGOA Extension Act, among many other matters affecting the country's competitiveness and the business environment. 18 mainstream media interviews, 111 print mentions, 237 online publications, 22 radio features, and 47 television appearances. This proactive media engagement generated over 10 million earned media value and high brand visibility across traditional and digital platforms, in line with the visibility pillar.

Digitally, KEPSA reached millions of stakeholders and generated active engagement with the public across our social media platforms. We expanded thought leadership through the growing KEPSA Exchange Podcast, published multiple editions of the Kenya Business Channel Magazine, and, under the One

KEPSA Model, supported member growth by onboarding media partners such as the Royal Media Services as a Platinum Member. Together, these achievements demonstrate how a unified KEPSA is delivering greater visibility, stronger advocacy outcomes, and measurable value for members and the wider business community.

F. Conclusion

As I reflect on our journey from June 2025 to May 2026, I am immensely proud of how far KEPSA has come. This has been a year of resilience, transformation, and purposeful growth—a year in which we not only navigated uncertainty but emerged stronger, more agile, and more impactful.

Our achievements are a testament to the collective strength of Kenya's private sector and the enduring power of partnership. I extend my deepest appreciation to our members, whose trust and commitment continue to inspire our work; to the KEPSA team, whose dedication and professionalism drive our success every day; and to our partners in government, development, and the global business community, whose collaboration has enabled us to create meaningful and lasting impact.

The future demands institutions that are bold, adaptive, and forward-looking. KEPSA is embracing that future with confidence. Through the One KEPSA model, we are building an institution that is stronger internally, more influential externally, and better positioned to serve as the catalyst for inclusive economic growth and sustainable development.

As we look ahead, our resolve remains unwavering: to champion policies that unlock enterprise, to expand opportunities for businesses of all sizes, to nurture innovation and talent, and to position Kenya as Africa's premier destination for investment, trade, and sustainable prosperity.

Together, we are not merely responding to change—we are shaping the future. And together, we will continue to build a Kenya where businesses thrive, communities prosper, and opportunity is within reach for all.

The best of KEPSA—and indeed, the best of Kenya’s private sector—is yet to come.