



GUIDING NOTES: MS CAROLE KARUGA
CEO, KENYA PRIVATE SECTOR ALLIANCE (KEPSA)

**PRIVATE SECTOR PARTNERS CONSULTATIVE MEETING ON
FINANCE, TRADE AND INVESTMENT (FINTRINET)**

FRIDAY 19TH JUNE 2020, 11.00am to 1.00pm

Distinguished guests

Ladies and Gentlemen

- On 12th of March this year, I followed on the news as the CS for Health Hon. Mutahi Kagwe announced the first case of COVID19 in Kenya. I had watched and read of the economic devastation the virus had caused in many countries such as China, the Americas and Some Countries in Europe. What would be the case in Kenya, especially for SMEs, Women led enterprises and the over 500,000 business that we represent, I thought?
- With my team we moved with speed, conducted a survey to establish the effects of the virus on our businesses. Our immediate action was informed by the idea that identifying where businesses were hurting the most, we could seek help and support from amongst ourselves, government, development partners and other stakeholders. Sooner than later, we learned that some of our Key sectors such as Horticulture, Education, Tourism and Hospitality, Arts and Culture among others were already hurting.
- Through collective private sector efforts, which some of you have been involved in, we took action to help save businesses and essentially livelihoods. Some of these interventions include;
 - Igniting the "Made in Kenya" label:
 - Reconfigured factories and production lines for PPE (i.e. daily capacity ~1M metres of
 - polypropylene) and hand sanitizer (i.e. >240K litres ethanol)
 - 64 companies now producing PPEs, with 48h approval time for local manufacturer



- Introduced 2 innovative ventilator models, by KAM (100 units per day) and Toyota Kenya (20 units per day, ~\$1000 each)
- Digitizing operating models
 - Waived fees for transacting on digital platforms, including M-Pesa
 - Advocated for fast-tracked accreditation of ~40 telehealth providers
 - Provide access to education materials and software, often free-of-charge
 - Advocated for e-Commerce to be recognized as essential service, and launched platform to register and train 1000s of businesses to sell products online
- Initiating cross-sector collaboration
 - Launched Safe Hands collaboration of >30 companies to distribute free soap, sanitizer, and face masks to vulnerable communities
 - Converted passenger flights to transport fresh produce and flowers to Europe
 - Launched Wheels for Life initiative to ensure pregnant women have access to medical care during curfew (i.e. free medical advice, transport to facilities)
- Improving ease of doing business
 - Commit to restructuring loans to cushion businesses / SMEs and individuals
 - Advocated for 48 hour approvals from KEBS for local manufacturing
 - Advocated to remove PVOC2 on essential products (e.g. PPEs)
 - Ensure zero-rating of key goods, including medical equipment, agricultural inputs, and imported maize and wheat
- Strengthening healthcare capacity
 - Resource Mobilization i.e. donation of mattresses, PPE, flowers for HCWs, and other relevant items; pooled



- COVID-19 Response Fund; ~37K testing kits procured, in partnership with MOH
- Brain trust i.e. webinars on clinical and strategic issues; training series for >2,200 HCWs and 30
 - hotel staff; >4.5K calls to 1196 hotline, with medically trained personnel
 - Volunteerism i.e. ~3K additional volunteer HCWs mobilised
 - ~40 telehealth providers registered to operate
 - ~500 free rides secured for pregnant women via Wheels for Life
- Through PPD engagements which most of us are aware of, the government responded by;
 - Rehabilitating roads damaged by floods to ease movement etc.
 - Supporting schools to access educational materials online
 - Providing seed capital for SME credit guarantee scheme
 - Hiring more HCWs and mobilize retired health workers to support
 - Zero rating all agricultural inputs and horticulture- seed, fertilizer, animal health products to reduce constant VAT refund position
 - Removing PVOC requirement for seeds, animal health products and live plants
 - Fast-tracking payment of VAT refunds owed to agribusiness firms; Removing 10% duty on wheat imports; Removing duty on maize imports;
 - Using hotels as containment/quarantine centers, or refurbishing as emergency hospitals; Apply a 12-month moratorium on Tourism Levy; Increase KTB budget for PR and marketing; Promote domestic and regional tourism sources (mid-term measure)
 - Promoting Buy Kenya Build Kenya initiatives to support key manufacturing industries
 - Reducing taxes such as VAT, PAYE, corporate tax for 6 months especially for MSMEs and vulnerable Sections
 - Reducing cost of money, maintaining favorable foreign exchange rate to assist efficient functioning of the economy,



- Reducing CBK rate and Cash Reserve Ratio to reduce cost of credit, Restructure debts with deferment of interest and principal payments for businesses and Suspend all CRB listings loan defaulters
 - National and County Governments to clear all pending bills fully.
 - Providing cash transfers to additional populations made vulnerable due to Covid-19.
- The virus still lingers; a vaccine may be in the horizon or we might learn to live with the virus. I am certain that either way we shall overcome. Through our collective efforts to resuscitate sectors such as Tourism that I shout 98%, bring back at least 5.1 million jobs lost and at risk of being lost.
- Indeed there could not have been a better time for FINTRINET. When there is more work for all of us, to recover and transform our economy. This could be the opportune time for us to be radical, promote local products and production, support youth and women led enterprises, become more innovative and increase efficiency to become more competitive as a country.
- I am truly delighted to be part of this discussion and for being part of the team that is leading this in partnership with the SDG Partnership Platform. As KEPSA we affirm our support towards the efforts of FINTRINET.

Thank you