

# EU-KENYA BUSINESS FORUM 2023

## TRADE AND INVESTMENT OPPORTUNITIES IN KENYA

HELD ON THE 21<sup>ST</sup> & THE 22<sup>ND</sup> OF FEBRUARY 2023 AT  
THE RADISSON BLU HOTEL, UPPER HILL IN NAIROBI

**REPORT**



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# REPORT SUMMARY

The first-ever EU-Kenya Business Forum was held on the 21st and 22nd of February 2023, at the Radisson Blu Hotel, Upper Hill in Nairobi, Kenya.

The Business Forum was jointly organized by the EU and its Member States in partnership with the Kenya Private Sector Alliance (KEPSA) and the European Business Council (EBC).

The Forum aimed to foster increased European trade and investment in Kenya by highlighting economic opportunities and potential for expansion.

It promoted Kenya as a business destination and identified trade and investment opportunities for job creation and sustainable and diversified growth.

With the participation of a total of **544 European and Kenyan companies**, the Forum encouraged business cooperation and strengthened synergies between the European and Kenyan private sectors.

Over the two days, **more than 200 Business-to-Business and Business to Government meetings** took place and **11 breakout sessions** held on business opportunities in many different sectors of the Kenyan market, including the circular economy, agriculture, digitalization, construction, green energy and agro-processing.

Representatives of the Kenyan Government widely supported the Forum discussions on opportunities and other key topics such as the business environment and networking with businesses.

The European Union together with representatives from the Kenyan Government and the private sector organizations shared key components of sustainable trade and investment partnerships with Kenya.

This development was supported by the Global Gateway– the European Union's (EU) strategic investment package – which supports strong, inclusive and sustainable growth by fostering connectivity between the continents and by accelerating the green transition and digital transformation.

About 800 participants registered, over 800 persons attended day one and about 650 attended the event on the second day all in person. Over 1K attended online via EU in Kenya's social media platforms. In total, **10 Kenyan PSs** took part in panel discussions.

Over  
**500**  
European  
& Kenyan  
companies  
Present



The Forum brought together over 800 Kenyan and European leaders and policymakers, from the government, private sector, business support organizations and financial and development institutions to exchange experiences and explore win-win investment and trade opportunities in the country.

Over  
**800**  
Guests

# DAY 1 PLENARY

The EU-Kenya Business Forum was graced by the President of The Republic of Kenya and Commander-In-Chief of the Kenya Defence Forces **H.E. Dr William Samoei Ruto, CGH**. He was accompanied by Kenya's Cabinet Secretary (CS) for Investments, Trade and Industry, **Hon. Moses Kuria**, and the CS for Foreign and Diaspora Affairs **Dr Alfred Mutua, E.G.H.** among other Government officials.

They were also joined by European Union counterparts, the European Union Ambassador to Kenya **H.E Henriette Geiger**, the French Minister Delegate for Foreign Trade, Economic Attractiveness and French Nationals Abroad **Hon. Mr Olivier Becht**, and the European Investment Bank Vice-President **Mr Thomas Östros**; among other EU Member State Ambassadors and representatives.

Watch the  
Plenary  
Session  
Here



## EU-KENYA ECONOMIC PARTNERSHIP



H.E. Henriette Geiger

In her opening remarks, the **European Union Ambassador to Kenya H.E. Henriette Geiger** thanked H.E. President William Samoei Ruto and his Government for their commitment to the forum, highlighting the importance of the relationship between Kenya and the EU.

She noted that Kenya has growth potential and underscored the EU's support for the country's economic transformation. She further acknowledged the resilience Kenyans exhibited during and after the COVID-19 pandemic, which has since led to successful economic recovery.

Kenya's business community and entrepreneurial spirit are the basis of Kenya's success. While acknowledging the new government's focus on economic growth and job creation along with efforts to attract massive investment, Ms. Henriette underlined that Kenya and the EU share the goal of a green economic transition based on innovation and digital connectivity through which the European Investment Bank and other European development institutions are ready to offer financial support.

Despite the EU already being Kenya's biggest trading partner, there is still great potential to be exploited, and the EU is committed to working with Kenya to bring more added value to its industries and diversify the economy and its exports.

The Ambassador stressed the importance of concluding the ongoing negotiations for the **Economic Partnership Agreement (EPA)** and expressed the hope that negotiations during the forum would be successful when President Ruto visited Europe the following month.

The EU's **Global Gateway Strategy** aims to build more resilient connections with the world to tackle the most pressing global challenges, such as fighting climate change, boosting competitiveness, and securing global supply chains.

Watch the  
Opening  
Remarks  
Here




## A PARTNERSHIP BASED ON COLLECTIVE ACTION FOR SUSTAINABLE & INCLUSIVE DEVELOPMENT



Hon. Mr Olivier Becht

In his remarks, the French Minister Delegate for Foreign Trade, Economic Attractiveness and French Nationals Abroad, **Hon. Mr Olivier Becht** highlighted the importance of the partnership between the European Union (EU) and Africa, particularly Kenya.

The EU's Global Gateway Strategy aims to build more resilient connections with the world to tackle the most pressing global challenges, such as fighting climate change, boosting competitiveness, and securing global supply chains.

Through long-term and mutual investment in Africa, the EU supported African countries during the COVID-19 pandemic by ensuring fair and equitable access to vaccines and developing production capacity on the continent. Additionally, the EU supported its African partners to find adequate responses to the socioeconomic effects of the COVID-19 crisis and the Russian war in Ukraine.

The minister stressed that the EU-Africa renewed partnership is key to facing global challenges, including the most pressing one, climate change! EU and Kenya's relationship is of paramount importance, as Kenya is the EU's first economic and trade partner in the region.

Kenya being a strong partner that upholds peace and stability, played a key role in pursuing peace in Ethiopia and the Democratic Republic of Congo.

Kenya being a strong partner that upholds peace and stability, played a key role in pursuing peace in Ethiopia and the Democratic Republic of Congo.

He also highlighted Kenya's stable political system and successful democratic transition of power after the last election.

The EU and Kenya have established themselves as stable trade partners, with the EU and Kenya being each other's largest sources of imports and markets for exports, respectively.

Kenya is a diverse destination for European companies with European exports to Kenya standing at about 1.8 billion dollars per year on average between 2010 and 2020. EU is a significant source of funding in Kenya, investing in key sectors such as agriculture, food processing, green energy, infrastructure, circular economy, ICT, and health, noting that France is the fifth-largest investor in Kenya, with a total foreign direct investment stock of just under one billion dollars.

Mr Becht emphasized that the EU-Kenya partnership is supported by shared business values of openness, free trade, and sustainability. He praised Cabinet Secretary Hon. Moses Kuria's commitment to implementing the tripartite free trade agreement, which creates a free trade area based on the firm belief that an open market can unlock African economic potential.

Mr Becht noted that the EU's commitment to open economies is evident in its ambitious climate and sustainability agenda, stressing that the EU wants to boost quality trade and investment to promote Kenya as a destination for European private companies and investors.

"The forum discussions must help the European Private actors in the room to add value to the socioeconomic development of Kenya. The European Union, particularly France, are committed to supporting private and public actors through the Food and Agriculture Resilience Mission (FARM) initiative towards dealing with the recurrent drought affecting Kenya for the past three years," he concluded.

## KENYA IS OPEN FOR BUSINESS



Hon. Moses Kuria

**Hon. Moses Kuria**, the Cabinet Secretary for Investments, Trade and Industry noted that Kenya was open for business, and through the Global Gateway Program, effective partnerships between Kenyan and European businesses would be steered.

He encouraged delegates to participate in the program and assured them that he and his ministry would follow up on all opportunities individually.

On the Economic Partnerships Agreement, Hon. Kuria emphasized that his Ministry is working closely with the Director for Africa, Asia, and the Pacific at the European Commission's DG Trade, Dora Correia to finalize all pending agreements.

He noted that discussions are underway on how to make Kenya more effective in its trade relationships and at the end of the Forum ensure a deal book is opened for the same and that all partnerships struck are followed up keenly to their success.

As a gateway to the rest of the continent, Kenya's efforts toward the integration of Africa are key. Kenya has pioneered efforts to bring together countries of the South Africa Development Corporation (SADC), the East African Community (EAC), and the Common Market for Eastern and Southern Africa (COMESA), which is a vital stepping stone towards the Africa Continental Free Trade Area (AfCFTA).

He said Kenya will continue championing a step-by-step approach to fast-track the continental integration, calling on the EU to continue talking to Kenya's partners and neighbors to encourage similar measures & not incentivize poverty.

On the issue of climate change, he highlighted that the conversations started in Sharm El-Sheikh, Egypt, during the COP-27, about financing climate transition made

Kenya is the perfect country to pilot and champion green industries.

He called on the EU to incentivize Kenya as a trailblazer in moving these conversations to action.

## EIB TO INVEST OVER 1B EUROS IN LOCAL BUSINESSES IN EAST AFRICA



Mr Thomas Östros

During the recently held EU-Kenya Business Forum, the European Investment Bank (EIB) Vice-President, Mr Thomas Östros, outlined how the EIB, which is the world's largest multilateral development bank owned directly by the 27 European Union member states, is helping East African companies to invest and overcome challenges enhanced by global shocks.

In November 2021, the Bank unveiled EIB Global, the European Investment Bank's fully dedicated finance arm catering to regions outside Europe. The unveiling coincided with the launch of its first Regional Hub in Nairobi, serving 11 African countries from Djibouti to Tanzania.

In 2022 alone, EIB provided more than 4.1 billion euros for private and public investment across the African continent.

In Kenya, EIB has worked with local public and private partners for the last 47 years, which has led to the investment of over 1.6 billion euros in the country. The Bank's engagement has benefited millions of Kenyans through support for better access to clean water, affordable clean energy, agribusiness financing and infrastructure development.

EIB has also supported investment to thousands of Kenyan entrepreneurs and companies across the country, mostly in partnership with leading local financial institutions. During the business forum, Mr Östros announced the EIB's largest-ever support for the blue economy and dedicated banking investment for women-led companies in East Africa, crucial for economic development and financial inclusion in the region.

According to Mr Östros, the European Investment Bank and the European Union have stood by African businesses during times of unprecedented and often unpredictable challenges. He noted that the EU-Kenya Business Forum took place at a crucial time when African businesses must be encouraged and enabled to expand, harness new business opportunities, and create skilled jobs.

During his five-day visit to East Africa in February 2023, he announced that circa 1 billion Euros worth of new investments for local businesses has been catalysed. Referencing the bank's largest-ever business financing agreement that he signed with the Trade and Development Bank during the forum, Mr Östros emphasized that it would enhance access to finance by African companies impacted by trade disruptions, the pandemic, and the recent energy price shocks triggered by Russia's invasion of Ukraine.

EIB, the European Union, and its partners are working hard to strengthen access to finance through targeted business financing models. The forum presented an opportunity for the EU and the European Investment Bank to listen to investment needs, identify new opportunities, and prioritize public investment across the country.

In conclusion, he reiterated the Bank's commitment to supporting East Africa's development, tackling climate change, and strengthening access to finance through targeted business financing.

While inviting the President to make his statement, the CS for Foreign and Diaspora Affairs, Dr Alfred Mutua E.G.H., reiterated Kenya's willingness to keep improving the ease of doing business to facilitate increased investment from the European Union.

## PRESIDENT RUTO'S OFFICIAL OPENING REMARKS AT THE EU-KENYA BUSINESS FORUM



H.E. Dr William Samoei Ruto, CGH.

While officially opening the EU-Kenya Business Forum, H.E. Dr William Samoei Ruto, CGH, President of The Republic of Kenya and Commander-In-Chief of the Kenya Defence Forces

highlighted the value of the relationship between Kenya and the EU, noting that the EU is the largest destination for Kenyan exports, accounting for KES 170 billion in 2021.

Equally, the EU is a major exporter to Kenya, accounting for 16.5% of the country's total import bill in the same year, amounting to about KES 355 billion; an increase in the value of imports to 14.8% from the previous year.

Furthermore, trading with the EU helps Kenya create millions of direct and indirect jobs in the country's main exports of tea, coffee, cut flowers, and peas value chains.

Notably, 70% of Kenya's total flower production is exported to the EU.

President Ruto explained that the government's priority areas for rapid socio-economic development are agriculture, micro, small, and medium enterprises (MSMEs), housing, universal health coverage, and the digital superhighway.

Agriculture is a key pillar of the government's bottom-up economic transformation agenda, as it has strong linkages to manufacturing, logistics, and other sectors.

The President called for continued consultations and collaboration to unlock these barriers and promote stronger trade relations and investment opportunities.

Watch the  
President's  
Remarks  
Here



In this regard, the role of Kenya's private sector led by the Kenya Private Sector Alliance (KEPSA), and the Kenya Association of Manufacturers (KAM) remain crucial.

He highlighted Kenya's active participation in the **Tripartite Agreement** that will be finalized by the end of April 2023 encompassing 28 different states in Africa working as one trading bloc, with 750 million people and an economy of 1.8 Trillion Dollars.

President Ruto strongly called for an economic transformation agenda premised on strong green growth.

Noting the crossroads at which humanity, businesses, investments and the economies lie due to climate change, he urged business leaders and investors to analyze where the future is, comparing coal-powered growth which poses an existential threat to the world, and green growth.

Addressing fears over the possibility to industrialize with green growth, he referenced Kenya as being the largest economy in the region, yet the country's manufacturing, industrialization and general economy are powered by 92% of renewable energy.

The MSME sector is another key priority area for the government, as it employs nine out of every ten people who join the workforce.

The President underscored the urgent need to establish MSME sector Business Development Centers across the country, which will provide young people with stronger technological know-how, operational capability, business management skills, and general entrepreneurial capacities.

The skills-based, technology-oriented TVETS seek to empower young people with relevant skills while the county-based industrial and aggregation parks will provide meaningful avenues for aggregation, value addition and agro-processing.

The government is also working to address the housing shortage in the country particularly in urban centres by embarking on labour-intensive housing projects (a target of 200,000 houses every year in all counties) that consume locally produced materials as well as fittings and fixtures fabricated and assembled by Kenyan MSMEs.

The President also highlighted the government's commitment to providing universal health coverage, which requires intensive investment in various dimensions of the health sector, including developing and equipping facilities of various levels and providing medical and therapeutic supplies.

The government is working with the private sector to provide infrastructure facilities, pharmaceutical manufacturing, and other interventions that will help in public-private partnerships.

Finally, the government plans to enhance Kenya's leadership position in the provision of financial technology and innovation, expanding to animation, robotics and Artificial Intelligence (AI) to enhance thousands of young Kenyans' participation in the digital economy.

He noted the numerous investment opportunities for EU businesses to plug in, especially under the public-private partnership model, whose legal framework is now in place in Kenya; increasing the investors' confidence in the country.



## SIX AGREEMENTS SIGNED

One of the major expected outcomes of the EU-Kenya Business Forum was fostering increased European trade and investment in Kenya. As a result, six bilateral agreements were signed to boost economic, trade and investment opportunities.

### LOAN AGREEMENT BETWEEN THE EUROPEAN INVESTMENT BANK & THE TRADE & DEVELOPMENT BANK



The European Investment Bank, through its new dedicated development finance arm EIB Global, formally agreed to provide a trade finance facility of USD 200 million to the Trade and Development Bank.

This amount is expected to support USD 400 million in new private sector investment, including by companies from across all sectors such as agri-food and manufacturing which have been impacted by the

disruption of trade flows following the Russia-Ukraine crisis and COVID-19 pandemic.

The new credit line is expected to provide working capital, supply chain finance, and investment loans to microenterprises, SMEs and midcap companies across the region served by TDB, including by supporting financing through local financial intermediaries.

This loan agreement was signed by the Vice-President of the

European Investment Bank, Mr Thomas Östros and the President of the Trade and Development Bank Group, Mr Admassu Tadesse.

The signatures were witnessed by the head of the Division, Public sector of the European Investment Bank, Mr Diederick Zambon, the Head of the Nairobi Office, Mr Ed CMrssen and the European Union Ambassador to Kenya Kenya H.E Henriette Geiger.

## PROPARCO INVESTMENT AGREEMENT WITH HARLEY'S



Proparco invested 13 million Euros in Harley's, a leading distributor of pharmaceutical products and medical equipment in East Africa. This financing along with co-investor IBL, the largest conglomerate in Mauritius, is aimed at supporting Harley's growth plan and is expected to have a positive social impact by promoting job creation and better access to pharmaceutical products in East Africa.

Indeed, Harley's strategy is to develop and distribute in Kenya, Uganda, Tanzania and possibly other neighbouring countries a range of pharmaceutical products that are currently not or only marginally available in these countries.

The investment agreement was signed by the Minister delegate for Foreign Trade of the French Republic H.E. Olivier Becht, Proparco Head for East Africa Audrey Maignan, Harley's Managing Director Dr Rupen Haria, and Chief Operating Officer for IBL East Africa Investments Michel Pilot.

The witnesses included the Ambassador of France to Kenya H.E. Mr Arnaud Suquet and the head of AFD for Kenya Mr Bertrand Willocquet.

## PROPARCO FUNDING OF WORKPAY

Proparco finances Workpay, a Kenyan startup that offers a fully integrated Human Resources (HR) management platform dedicated to micro, small and medium-sized enterprises (MSMEs), with services ranging from recruitment to payroll, including absence day management and an employee portage solution, notably offered to large corporate clients.



Workpay's digital solution is particularly relevant in a market where the majority of employees in local SMEs are still paid in cash and where HR management is still manual.

Proparco's 500,000 Euros financing to Workpay is done through the Bridge by Digital Africa fund, which aims to address the challenges faced by young innovative African companies, whose development, especially between two rounds of financing, can be slowed down due to the lack of available funding.

The funding agreement was signed by the Minister delegate for Foreign

Trade of the French Republic H.E. Olivier Becht, Proparco Head for East Africa Audrey Maignan, and Workpay CEO Paul Kimani. The signatures were witnessed by the Ambassador of France to Kenya H.E. Mr Arnaud Suquet and the Head of AFD for Kenya Mr Bertrand Willocquet.

## PROPARCO PROVING TECHNICAL ASSISTANCE TO SOLARISE

Solarise is a pan-African (Kenya, South Africa and Rwanda) clean energy and energy efficiency leasing company.

Through its network of partners, Solarise Africa offers turnkey B2B clean energy systems, particularly from solar PV, including plant construction, financing and servicing.

Proparco will provide technical assistance to support Solarise towards sustainable growth. The TA has 3 major components: the development of new markets, support in implementing an environmental and social action plan, and support for upgrading Solarise's internal processes.

This agreement was signed by the Minister delegate for Foreign Trade of the French Republic H.E. Olivier Becht, the Proparco Head for East Africa Audrey Maignan, and then the Head of Products & Markets for Solarise Africa Axel Luizy.

It was witnessed by the Ambassador of France to Kenya, H.E. Mr Arnaud Suquet and the Head of AFD for Kenya Mr Bertrand Willocquet.

## MEMORANDUM OF UNDERSTANDING BETWEEN THE KENYA PRIVATE SECTOR ALLIANCE (KEPSA) & THE SLOVAK INVESTMENT & TRADE DEVELOPMENT AGENCY (SARIO)



KEPSA is the apex body of the private sector in Kenya and brings together local and foreign business associations, chambers of commerce, professional bodies, corporates from multinational companies, MSMEs, and start-ups from all sectors of the economy to enable them to speak with one voice when engaging the government, development partners and other stakeholders on cross-cutting policy issues and programs for Social – Economic Development of the Country.

It also supports businesses with opportunities for training, networking, financial linkages, mentorship and coaching, access to markets, value chains, and access to investment opportunities inbound and outbound globally.

Through its widespread membership categories that represent over 1,000,000 businesses, KEPSA brings these businesses under one umbrella. The Slovak Investment and Trade Development Agency (SARIO) is

the investment and trade promotion state agency of the Slovak Republic within the competence of the Ministry of Economy of the Slovak Republic.

The goal of this memorandum is to enhance the coordination of cooperation between these two key trade promotion organizations to further intensify the commercial exchange between the Republic of Kenya and the Slovak Republic.

The MoU was signed by the CEO of the Kenya Private Sector Alliance Ms Carole Kariuki and the Director of the Foreign Trade Department of SARIO, Mr Egon Zorad.

It was witnessed by the Director General of Economic and Development Cooperation at the Ministry of Foreign and European Affairs of the Slovak Republic, Mrs Lucia Kiss, and the Trade counsellor at the Embassy of Slovakia, Mr Jan Petrus.

## BUSINESS ENVIRONMENT AND EXPORT ENHANCEMENT PROGRAMME (BEEEP)



The Business Environment and Export Enhancement Programme (BEEEP) is a 25M Euros EU grant-funded project implemented by TradeMark Africa.

It consists of EUR 20M for export promotion, the greening of value chains and using digitalization and other means to make trade faster and easier.

Furthermore, EUR 5M will be dedicated to supporting the government in improving the investment climate and the ease of doing business at the national and county levels.

The action will focus on the full ecosystem of certain goods and

supply chains and is aligned with the Government's Integrated National Export Development Strategy.

The envisaged impact is fully in line with the EU Global Gateway combining economic development, infrastructure, digital solutions and all with a focus to make economic activities greener while including the government, private sector and financial institutions in its implementation.

This was signed by the EU Ambassador to Kenya H.E. Henriette Geiger and the CEO of Trade Mark Africa, Mr David Beer.

The witnesses included the Cabinet Secretary of Investments, Trade and Industry, Hon. Moses Kuria, the Principal Secretary for Trade Mr Alfred K'Ombudo, the Principal Secretary of Investment Promotion Mr Abubakar Hassan Abubakar, the Trade Mark Africa Country Director for Kenya, Mr Ahmed Farah, the Director Sustainable Finance, Investment and Jobs from the Directorate-General of International Partnerships Mr Antti Karhunen, the EU Head of Cooperation Mrs Irene Giribaldi, the EU Trade Counsellor Mr Martijn Boelen, and the Programme Manager Mr Adolfo Cires.

# PANEL DISCUSSION: FOSTERING EU-KENYA BUSINESS OPPORTUNITIES AND PARTNERSHIPS

This panel discussion was moderated by **Jaswinder (Jas) Bedi**, EBS, MBS, the Vice Chairman of the Kenya Private Sector Alliance (KEPSA) with the panellists including the Principal Secretary for Investments Promotion, **Abubakar Hassan Abubakar**, the Deputy Secretary General for Economic and Global Affairs, EEAS, **Helena König**, the Principal Secretary for Trade, **Alfred K'Ombudo**, the PS for Transport, **Mohamed Dhagar**, the CEO of Kenya Private Sector Alliance (KEPSA), **Carole Kariuki**, and the Director for Africa, Asia, Pacific at the European Commission's DG Trade, **Dora Correia**.

The session focused on the partnership between the European Union and Kenya on trade and investment which has since continued to grow leading to double trade relations.

Creating an enabling environment to enhance a sustainable environment and partnership between financial institutions where there is collaboration on the utilization of financial resources, remained a key focus of discussion.

To foster EU-Kenya business cooperation, the panel noted that the high cost of doing business in Kenya is an area that needs to be addressed to enhance business resilience.

There are concerns about reforms that continue to halt business prosperity and issues of multiple taxes. Nonetheless, Kenya's private sector continues to create new opportunities within green growth and the circular economy space.

Young people were encouraged to take advantage of the many opportunities present through the EU-Kenya partnership.



# B2B AND B2G MATCHMAKING

One of the major objectives of the EU-Kenya Business Forum was to grow Business2Business and Business2Government relations and boost meaningful conversations among participants.

The B2B and B2G matchmaking session saw over 200 one-on-one meetings take place on Day 1, among Kenyan and European business leaders seeking to truly connect and create business opportunities.



The session facilitated the exchange of ideas with prospects for collaborations in the short or long term. Through this matchmaking session, the EU-Kenya Business Forum provided a unique avenue to connect people, ideas, organizations, businesses, knowledge and opportunities, all important aspects of creating fruitful partnerships.

This was further boosted by the presence of different Equity Group business members who, through a partnership with Equity, brought their business and financing expertise to the table.



# DAY 1 KEY THEMATIC DISCUSSIONS

The forum provided sector-specific discussions and insights into key thematic areas of EU-Kenya business relations such as circular economy, agriculture, green energy, and ICT among others. High-level panellists showcased business cases and opportunities in Kenya and the European Union.

## BUSINESS OPPORTUNITIES IN A CIRCULAR ECONOMY

Moderated by the Head of Trade at the Danish Embassy in Kenya **Karina Bech** and the Program Manager at KEPSA **Ebenezer Amadi**, discussions in this session focused on Kenya's policy framework, opportunities, challenges and commitments towards a circular economy.

The session was graced by the PS for Environment and Climate Change **Eng. Festus K. Ng'eno**, and featured panellists including the Founder of Block Solutions **Markus Johan Silfverberg**, the CEO of Bamburi Cement/ Lafarge **Seddiq Hassani**, the Head of Climate Solutions at cBrain **Rune Lund**, the Country Cluster Head East Africa (incl Managing Director Kenya) at BASF **Shollay Ramlaul**, the CEO of Green Pavers **Dr Aghan Oscar**, and the Managing Director of ENI Kenya **Enrico Tavolini**.

The panel noted that Kenya has a solid policy framework that reinforces the right to a clean and healthy environment, and the Kenya Vision 2030 aims to transform the country into a newly industrialized middle-income country.

The Kenyan government has established policies such as the Extended Producer Responsibility (EPR), which seeks to enhance waste separation infrastructure and formalize the waste collection sector.

The achievements and milestones that Kenya has made were also highlighted, including the ban on single-use plastic carrier bags (in 2017), the ban on single-use plastics in protected (in 2020) areas such as National parks, and collaborations with the private sector on the publication of the Kenya Plastics Action Plan.

However, there are challenges in terms of inadequate technology transfer, high-cost technological investment, insufficient legal reforms, and consensus-building among stakeholders. Furthermore, illegal manufacturing and importation of prohibited plastic carrier bags and lack of awareness are major setbacks. Nevertheless, there are incentives such as government tax, fiscal incentives, and fees to reduce or promote proper management of the environment and natural resources that can encourage the transition towards a circular economy.



Likewise, the EU's circular action plan paves the way for a cleaner and more competitive Europe and is one of the main building blocks of the European Green Deal, Europe's new agenda for sustainable growth.



According to the EU's circular action plan, scaling up the circular economy from front-runners to the mainstream economic players will make a decisive contribution to achieving climate neutrality by 2050 and decoupling economic growth from resource use while ensuring the long-term competitiveness of the EU and leaving no one behind.

To fulfil this ambition, the European Union must accelerate the transition towards a regenerative growth model that takes less from the planet and gives more, and that keeps resource consumption within planetary boundaries.

For the EU and Kenyan businesses, working together on creating frameworks for sustainable products will provide new opportunities for investments and green jobs.

Watch the  
Circular  
Economy  
Session Here



## Key highlights from the session

Kenya is leading in creating legal and regulatory frameworks for a circular economy.

Investment is needed to set up material and waste collection centres across the country.

Innovation is necessary to incorporate a circular economy and design from the beginning.

Entrepreneurship is important for bringing about change in a circular economy.

Public-private partnerships are crucial for implementing the circular economy.

Waste management is done predominantly by the informal sector.

Lack of funding for circular-oriented projects.

Multiple taxes limit the private sector investment in the circular economy sector.

Difficulty in introducing new technologies, particularly in the context of sustainability and reducing environmental footprints, due to the lack of understanding and acceptance by regulatory agencies

There's a high cost of investment required to execute projects that emit lower levels of CO2 in comparison to those that do not prioritize emissions reduction.

Identifying the right business models for scalability and commercial viability is important in a circular economy.



The circular economy is an evolving concept from normal waste management to the adaption of reuse and value addition models.

Achieving circularity calls for creating a sustainable value chain that ensures the collection and utilization of waste to extract maximum value; as well as adopting models like re-use, repurpose, recycling and incineration to extract energy to replace coal.

At the end of the interactive session, participants collectively agreed that it was time for different stakeholders including the private sector and the government to actively engage and implement legislation that will enhance the adaption of circular economy models.

High taxes on green technologies and concepts are hindering private sector investment.

Stakeholders in the green space must come together and lobby for tax exemptions during the budget reading period.

Tax exemptions are necessary to encourage the adoption of green technologies and concepts by making them more affordable and accessible to the average Kenyan. Furthermore, the private sector should lobby to remove unfavourable policies to create an enabling environment for a resilient circular economy sector.

Increasing the consumption of recycled material by manufacturers and reducing continuous extraction of virgin materials by producers will enhance the reuse of materials and increase recycling both in Kenya and the EU.

To achieve circularity, entrepreneurs should become innovative, for example, by developing construction solutions from plastic waste.

Finally, digitizing circular economy models will help to fast-track the implementation of the new systems and models to create a resilient economy.

## BUSINESS OPPORTUNITIES IN DIGITALIZATION

This session was moderated by the Export Adviser at Enterprise Estonia **Joel Karubiu** and co-moderated by the Team Leader at Tech Innovators Network Think Tank **Brian Omwenga**. The panellists included the CEO of OPTIMETRIKS Eng. **Paul Langlois-Meurinne**, International Public Sector Director at Indra **Jorge Aguilera**, the Country Channel Manager at ESET Africa **Ken Kimani**, Nokia's Country Manager **Pius Ang'asa**, the Account Director at Celfocus **Tiago Luís Silva**, and the Chief Technology Officer, Liquid Intelligent Technologies **Ben Roberts**. The digitalization session was graced by PS for ICT and Digital Economy Eng. **John Kipchumba Tanui**.



The PS for ICT and Digital Economy Eng. John Kipchumba Tanui presented the role of the Ministry of ICT as to create a competitive country that is knowledge-based with the mission to facilitate access to ICT infrastructure and also services across the country, through collaboration with the private sector and other government agencies. According to the PS, the approval of the state department for the placement of ICT experts in the public sector will enhance service delivery.

The digital economy in Kenya is among the government's five key areas that seek to enhance the country's digital connectivity globally by improving its existing fibre infrastructure. The government will ensure the availability of affordable, smart devices to ensure connectivity, through which free WI-FI will be provided and successful models that can make it sustainable established. This will also ensure connectivity in hospitals, schools, and other institutions.

Besides the **connectivity**, the government is working closely with the private sector to invest in **digital hubs** across the country, with plans to add another 1,450 digital hubs across the country to ensure that Kenyan youths can access platforms that will help them to enhance their skills in tech and online jobs.

Furthermore, Kenya has invested in a **science and technology bank**, a state-of-the-art knowledge centre where the Kenya Advance Institute of Science will be located. Digitizing government services will enhance service provision for all at any time anywhere. This opens great opportunities for Kenya's and the EU's private sectors to invest in digital technology.

For investors, the digital economy provides an opportunity for supporting MSMEs to leverage technology and digital platforms to operate in a more structured, transparent, efficient, resilient and profitable manner, thus increasing their suitability for credit.

For the government, providing the right incentives for the private sector to invest will enhance the digital superhighway, and improve product and service quality.

According to the panel, transforming small and medium enterprises will address some of the country's biggest challenges like unemployment by creating more jobs, growing wealth for the country, and contributing to the global economy.

For this reason, SMEs should be empowered to move to a more visible space where they're very clear about their suppliers, input, output, and profitability. These are the opportunities investors both in Kenya and the EU expect to see, to empower and give them the tools they require to scale.

Notably, is the **role of the youth in digitalization**, which remains the most attractive population due to its knowledge of digital systems. Therefore, investing in empowerment opportunities that enhance the skill of young people will spur their innovative capacity to create solutions to the numerous existing problems facing the world economy.

Young people must get involved by for instance giving their voices on policies that affect the digital and technology space through organizations like the International Telecommunication Union (ITU) and the Internet Engineering Task Force (IETF).

Taping into young talent and developing incubators and innovation centres in terms of providing solutions for critical challenges will remain key elements of successful public-private partnerships within the digital economy.

[Watch the Digitalization Session Here](#)



## Key Highlights from the Digitalization Session

The digital economy in Kenya is among the government's five key areas enhancing the country's digital connectivity globally.

Tapping into young talent, developing incubators & innovation centres are key in successful PPPs.

The Kenyan government is working closely with the private sector to invest in digital hubs across the country.

Kenya has invested in a science and technology bank & plans to add 1,450 digital hubs across the country.

Investors expect to see clear input, output & profitability to empower SMEs & give them the tools they require to scale.

Investing in empowering young people will stimulate their innovative capacity to create solutions.

The right incentives for the private sector will enhance the digital superhighway, and improve product and service quality.

The government will ensure availability of affordable, smart devices to ensure connectivity, with free WI-FI.

## BUSINESS OPPORTUNITIES IN AGRICULTURE

The session was moderated by the Manager, Sub-Saharan Africa at Enterprise Ireland **Nicola Kelly**, and co-moderated by the MD of Coopers Kenya **Mucaï Kunyiha**. The panellists included the Director of Sales Strategy on the African Market at ROKOSAN **Dr Adam Szoke**, EMEA Production Operations Lead at HM. CLAUSE **Sébastien Alix**, Ekaterra's **Mumbi Mwangi**, the Chief Revenue Officer at eProd Solutions **Almut van Casteren**, the CEO of Farmshine **Luca Alinovi**, and the MD of Elgon Kenya Limited and Chairman of ASNET **Dr Bimal Kantaria**.

The session discussed the business opportunities in Kenya's agricultural sector for investors from both within the country and from the European Union.

Attended by the PS for Crop Development Mr Phillip Kello Harsama, the agriculture session also provided insights into the challenges and solutions within the sector which is the primary social driver of development in Kenya, [accounting for more than 22.4% of the total GDP in 2021](#).



Several initiatives have been implemented by the Kenyan government, including the Gradual Transformation and an Inclusive Growth Plan 2023-2027, to prioritize agriculture as a key pillar for development and increase the productivity of key food value chains, reducing reliance on basic food.

This focus on agriculture is vis-à-vis the numerous benefits to the Kenyan economy, including the contribution to food and nutrition security, job creation, boost to the country's export earnings, and contribution to the achievement of sustainable development goals due to direct links with other sectors such as agro-based manufacturing, transportation, wholesale, and retail.

Nonetheless, the sector faces several challenges, among them declining agricultural land as the result of uncontrolled subdivision, inappropriate land use, and the effects of adverse climate change among others.

Expensive agricultural inputs like fertilizer, seeds, and machinery; significant post-harvest losses as a result of inadequate product development storage technologies; expensive energy for cooling and processing facilities; insufficient access to financial and insurance services; limited product research; low youth participation in agriculture; changing consumer preferences; and lack of access to technological enablers such as smartphones among a high percentage of farmers are some of the other hindrances facing the agriculture sector.

**Watch the Full  
Agriculture Session Here**



## Key Highlights from the Agriculture Session

The agricultural sector is the primary social driver of development in Kenya, & accounted for +22.4% of the total GDP in 2021.

The sector is being affected by adverse climate change.

There's a decline in agricultural land due to uncontrolled subdivision and inappropriate land use.

There is a decline in agricultural land due to uncontrolled subdivision, and inappropriate land use.

A review of soil types for arable land is underway across the country.

Increased investment in the agricultural sector will result in sustainable solutions.

To keep up with the trends, farmers need the necessary tools and access to technological know-how.

Frameworks for land leasing have been developed to assist investors in leasing land in Kenya.

Digitizing land records is vital in eliminating historical land issues such as loss of documentation, duplicity of titles, and destruction of records.

There is a need for a mental shift in smallholder farmers from conventional unprofitable farming practices.

Land commercialization presents numerous opportunities for the agricultural sector including different sub-sectors such as horticulture and livestock.

The session panellists then narrowed down to smallholder farmers and identified the difficulty of changing their mindset to switch from conventional farming practices (e.g from granular to liquid fertilizer), and unprofitability due to long supply chains as other main challenges.

Participants of this session believed that increased investment in the sector from both Kenyan and European businesses and organizations will result in sustainable solutions to the problems facing agriculture in the country.

Providing farmers with the necessary tools and access to technological know-how will allow them to keep up with current trends such as the transition to regenerative agriculture while being able to request inputs and assistance needed along the journey.

Increased investment will also go a long way in boosting government efforts to digitize land records, a process vital in eliminating historical land problems such as loss of documentation, the duplicity of titles, and the destruction of records. Furthermore, land leasing frameworks have been developed to assist investors in leasing land in Kenya.

Regarding the low soil quality and mapping, PS Phillip Kello confirmed that a review of soil types for arable land was underway across the country.

The findings will provide the government with a complete picture of the situation, allowing for future interventions tailored to specific regions.

As collectively reached during this session, there remain major investment opportunities in agriculture for both EU and Kenyan stakeholders.

For instance, there is a market gap in quality assurance, creating an investment opportunity in Kenya since most exporters still rely on laboratories outside Africa for product testing and certification.

Land commercialization, a government initiative that invites private sector partners to collaborate with Kenyan farmers to specifically use government land to grow crops and agro-processing, also presents numerous opportunities; among others including in different sub-sectors such as horticulture and livestock.

## BUSINESS OPPORTUNITIES IN WASTE MANAGEMENT



The waste management session was moderated by the Commercial Counselor at the Austrian Embassy **Edith Predorf** and co-moderated by the Country Lead, Regulatory and Stakeholder Engagement at Coca-Cola Africa **Susan Maingi**.

The Chairman, of Waste Management in Nairobi City Council Kefa **Omanga Omoi**, WOIMA Corporation's **Henri Kinnunen**, Komptech's **Markus Maierhofer**, Sanergy's **Michael Lwoyelo**, and the CEO of TakaTaka Solutions **Daniel Luis Paffenholz** constituted the panel.

They discussed the business opportunities in Kenya's waste management sector while highlighting insights into the challenges and solutions within the sector.

Watch the full Waste Management Session Here



Nairobi produces on average 2,400 tons of waste. 0.5 - 0.75 kg of waste is generated per person per day. However, the County Government views this waste as an opportunity, wealth, and health, and is seeking partnerships to adopt and domesticate technologies to manage it well.

Kenya is transitioning from a linear model of waste management to a circular model, to make Nairobi a model Green City. In line with this, the Nairobi County Government has set the stage for transformation to a circular model, which involves the waste collection, transportation, segregation, material recovery, and recycling.

Through the Chairman of Waste Management in Nairobi City Council Kefa Omanga, the County Government invited partnerships to scale up waste management and recovery initiatives. He recognized the efforts of partners within the private sector that continue to champion reuse and recovery but emphasized the need to do more to meet the demand for waste management.

In the context of a circular economy, the focus of waste management is on preserving the properties and value of waste materials by delivering secondary high-quality raw materials to the economy.

Like in Kenya, waste management in the European Union favours preparation for re-use and recycling over disposal landfilling.

The EU legislation includes recycling targets for municipal, electronic, construction and demolition waste, with significant potential to increase the recycling rates in all the streams.

While the EU remains far ahead of Kenya in the development of proper waste management infrastructure, a common denominator arose from discussions in this session.

To fully exploit both Kenya's and the EU's potential in waste management, current barriers must be overcome. These include price competition from virgin material alternatives, lack of sufficient awareness creation to spur a change of mindset among the consumers to enhance waste segregation at the source, especially in the case of Kenya, and slow implementation of regulations to increase separation at the source and collection among others.



## Key Highlights from the Waste Management Session

Kenya is transitioning from a linear model of waste management to a circular model.

The government is seeking partnerships to adopt and domesticate technologies to manage waste effectively.

In Kenya, waste management favours preparation for re-use and recycling over disposal landfilling.

There is slow implementation of regulations to increase waste separation at the source and collection.

There is a lack of adequate awareness to change mindsets among the consumers to enhance waste segregation at the source.

The government invited partnerships to scale up waste management and recovery initiatives.

The focus of waste management is on preserving the properties & value of waste materials by delivering secondary high-quality raw materials to the economy.

Current barriers to exploit Kenya's potential in waste management include price competition from virgin material alternatives.

## BUSINESS OPPORTUNITIES IN AGRO-PROCESSING

This session was moderated by the Executive Director of the French Chamber of Commerce in Kenya **Laure Paugam** and co-moderated by from the Agriculture Sector Network and KEPSA's Agriculture Sector Board **Jane Ngige**. It was graced by the PS for Industry **Dr Juma Mukhwana**, who was joined by other panellists including the Co-Founder and Executive Director for Naturelock **Tei Mukunya Oundo**, the Director of Olvea **Nicolas Van Der Velden**, the Director of Aflazero **Fabrizio Cardillo**, and BIDCO AFRICA Chairman **Dr Vimal Shah**.

The Agro-processing session allowed the panellists to share their journey towards realizing their full Agro potential. It also shone a light on the different ways the stakeholders involved support food security and build a mutually beneficial two-way trade and investment focused on opportunities and win-win partnerships for the sector.

The European Union is the largest destination for Kenya's export and the provision for sustainable trade and mutual accountability is part of an ongoing economic partnership agreement negotiation to create a more conducive environment for innovation and growth.

The EU is a great supporter of Kenya's ambitious agriculture sector for transformation growth strategy. Kenya's Agro-processing sector is on an upward trajectory with great potential for further growth. Kenya's government advocates for more industrial efforts to create a vibrant Agro-processing sector to enhance the value chain, create jobs, increase income and ensure maximum potential for the Kenyan market.

During the session, the EU pledged to work closely with Kenya to boost technological advancement, build capacity, intensify market linkages and increase youth participation in the sector.

According to the Kenya National Chamber of Commerce and Industry, Kenya loses approximately 50% of its farm produce to surpluses in production, poor infrastructure, and policies that fail to promote local agro-processing.

Investing in the establishment of agro-processing zones that are closer to the farmers is one of the smart and sustainable solutions to dealing with post-harvest losses in the country. Like Kenya, there are many current and future challenges in the EU as well, including economic and financial crises, global competition, volatile costs of inputs such as fuel and fertilizer and climate change.



In recent decades, the EU farm policy has changed considerably to help farmers face these challenges, an area in Kenya can pick a lot of good practices.

For instance, the EU financially supports its farmers and encourages sustainable and eco-friendly practices, while also investing in the development of rural areas according to a report dubbed, Agriculture: A partnership between Europe and farmers.

Kenya is a regional hub with a vision to tap into the African Continental Free Trade Area (AfCFTA), one of the 13 flagship projects of Agenda 2063.

For this to happen, the government must create an enabling environment and allow the private sector to step in and invest.

There exist great opportunities presented by the African Growth and Opportunity Act (AGOA), where Kenya is the biggest export to the USA through 29 companies under the EPZ. Kenya has invested 7 million dollars in the textile industry and continues to promote local cotton production.

The leather value addition sector is another big opportunity, whose potential has not been maximized, currently processing 3% of hide and skin despite having the largest herd of livestock in Africa.

Furthermore, due to escalating cost of production, local farmers are not maximizing the coffee returns as final processing is not done locally.

Furthermore, Industrial and Technology parks are key elements of the infrastructure supporting the growth of today's global knowledge economy, especially within the agro-sector, by providing a location in which government, private sector and universities collaborate to create enabling environments that foster technological innovation.

They enhance the development, transfer and commercialization of technology. The technological parks will facilitate the transfer of technology and promote local enterprises, create an environment for inventiveness and innovativeness, and stimulate and manage the flow of knowledge and technology amongst university students, R&D institutions, companies and markets.

Participants of this session encouraged the EU businesses to explore investing in smart agriculture, and areas that would boost agro-processing technologies.

## Key Highlights from the Agro-Processing Session

The European Union is the largest destination for Kenya's exports.

Kenya is a regional hub with a vision to tap into the African Continental Free Trade Area.

The leather value addition sector's potential is not yet maximized.

There is a need to explore investments in smart agriculture.

Kenya loses approximately 50% of its farm produce to surpluses in production, poor infrastructure, and policies that fail to promote local agro-processing.

Investing in establishing agro-processing zones closer to farms is one of the solutions to dealing with post-harvest losses in the country.

Kenya's Agro-processing sector is on an upward trajectory with great potential for further growth.

Local farmers are not maximizing coffee returns due to escalating costs of production.

Kenya has invested US \$7 million in the textile industry and continues to promote local cotton production.

Industrial and Technology parks enhance the development, transfer and commercialization of technology in agro-processing.

**Watch the Agro-processing Discussion Here**



## BUSINESS OPPORTUNITIES IN HEALTH

The Business Opportunities in Health Session was moderated by the Global Health Advisor for East Africa and Somalia at the French Embassy to Kenya **Serawit Bruck-Landais** and co-moderated by the Chairman of the Kenya Healthcare Federation **Dr Kanyenje Gakombe**.

The panellists included Nairobi County Health Minister **Dr Anastasia Nyalita**, the Area Business Manager at Biomerieux **Soumeya Loucif**, the Country Director Sub Saharan Africa (SSA) at AstraZeneca **Arpit Bansal**, the Global Sales Director for Export at Linet **Petr Foit**, Director at Medware Solutions **Niraj Hirani**, the Chief Executive Officer at UNIZIMA **Hala Audi**, and the Chair of the East African Health Federation **Amit Thakar**.

The session presented a Kenyan health sector that is strong, providing a good mix of both the public and private sectors and a great regulatory framework that favours investments. The country is open and seeking partnership in human resources, health financing and local manufacturing of health products as it aims to reach universal health coverage by 2030. Kenya represent 50% of REX of EAC and has an aptitude to adopt health innovation including digitalisation with a promising market for medical devices.

This has been done through a multi-level (continental, sub-regional, national and community), interdisciplinary One Health approach (including human and environmental health).

The health session provided a platform to strengthen mechanisms for multisectoral partnerships, ensuring sustained and predictable investment opportunities in systems and tools for public health emergencies. These include the provision of better healthcare facilities and services in public hospitals, investment in laboratory equipment in all hospital levels from level 2 (lowest) to level 5 hospitals, improvement of medical tourism, as well as the improvement of a public-private partnership among others.

Finally, it was agreed that to improve Kenya's fragile health system and emergency response, there is a need for political goodwill to provide adequate human and financial resources to build capacity at the national and county levels. This would as a result increase the quality of healthcare and thus the quality of life for Kenyans.



## Key Highlights from the Health Session

Kenya aims to reach universal health coverage by 2030.

Medical tourism, and public-private partnerships should be improvement.

There is an urgent need for the provision of better healthcare facilities and services in public hospitals.

Investment in laboratory equipment in all hospital levels should be increased.

Kenya represents 50% of REX of the East African Community (EAC).

Kenya has an aptitude to adopt health innovation including digitalization.

The country has a promising market for medical devices.

A multi-level & interdisciplinary One Health approach (including human and environmental health) is key.

There is a need for political goodwill to provide adequate human and financial resources to transform Kenya's fragile health system and emergency response.

The Kenyan health sector is strong, providing a good mix of both the public and private sectors and a great regulatory framework that favours investments.

Kenya is open and seeking partnership in human resources, health financing and local manufacturing of health products.

Watch the full  
Health Session  
Here

  
YouTube



# SIDE EVENTS

On the first day of the EU-Kenya Business Forum, several events took place on the sidelines, cementing the Forum's objective of boosting partnerships and collaborations beyond the discussions.

## ACP BUSINESS FRIENDLY

The "ACP Business-Friendly: Supporting value chains through inclusive policies, investment promotion and alliances" (ACP BF) is an Intra-ACP action funded by the EU and the Organization of African, Caribbean and Pacific States (OACPS).

The program follows a tiered approach with engagements focusing on macro-, meso- and micro-level interventions implemented by the World Bank, the United Nations Industrial Development Organization (UNIDO), and the International Trade Centre (ITC), respectively, according to the ACP website. Other partnering organizations include Ken Invest, organizations in the public and private sectors, MSMEs, regional development agencies, county governments.

Some of the achievements reported during the session include 77 investment opportunities being formulated. Out of these, 45 have already been published on the ACP digital portal. These investment opportunities cover different themes such as sustainable agriculture, environment and renewable energy, digitalization as well as women and youth empowerment.

The discussions focused on promoting investment through partnerships and having the right policy and regulatory frameworks in place.

Opportunities to tap into were identified, such as ITC and working directly with producers by offering training and appropriate information.

Through partnerships with different organizations like UNIDO, ITC, and the World Bank, ACP Business Friendly promotes investment by adapting a comprehensive framework for bilateral relations, to improve the business environment and help producers by facilitating new investment opportunities.

Watch the ACP  
Session Here




## THE AFRICA INTELLECTUAL PROPERTY RIGHTS & INNOVATION (AFRIPI)

AFriPi is an international cooperation project funded and directed by the European Union and implemented by the EUIPO, according to Aida Galindo, the AFRIPI Project Leader.

The objective of the project is to facilitate economic growth in Africa. It creates, protects, utilizes, administers and enforces Intellectual Property Rights across Africa.

This is done according to international and European best practices and in support of the AfCFTA and the African Union's Agenda 2063.

It facilitates intra-African trade and African and European investment.

Its main objective is promoting international agreements, strengthening national and regional IP, and raising awareness of IP and geographical indications.

According to IPR Expert, European Union Intellectual Property Office Nancy Samuriwo, a strong Intellectual Property Rights environment will boost the participation of African countries in the world's economy and stimulates innovation and competitiveness in the private sector.

IPRs include trademarks, designs, patents, plant variety rights, copyright, trade secrets and geographical indications.

IP rights provide guarantees regarding the quality and safety of products and this session provided a platform to raise awareness of IP protection among SMEs from Kenya and the European Union Member States, challenges and best practices, as well as benefits for businesses.

Watch the  
AFriPi Session



## INVESTING IN YOUNG BUSINESSES IN AFRICA' (TEI IYBA)



The Team Europe Initiative 'Investing in Young Businesses in Africa' (TEI IYBA) supports early-stage businesses and entrepreneurs – especially women and young people - in Africa in launching and growing sustainable, strong and inclusive businesses and creating decent jobs.

It extends the financial and technical support available to them in their early stages and strengthens the ecosystem of organizations supporting entrepreneurs and businesses, such as incubators and accelerators. The initiative is delivered through a Team Europe approach, bringing together the EU, EU Member States active in Kenya and their development agencies and development finance institutions, as well as the European Investment Bank (EIB) and the European Bank for Reconstruction and Development (EBRD).

The initiative in Kenya will build on ongoing or planned programmes to support entrepreneurs & early-stage businesses, including the promotion of the Self-Employment and Entrepreneurship Programme (DE), Africa Enterprise Challenge Funds (SE), Novastar Ventures Africa Fund (NL), and Digital Africa (EU, FR).

The Team Europe approach ensures impact, innovation and overall coherence, by bringing together resources and better coordination to deliver the greatest possible impact and transformational change.

Watch the IYBA Part 1 Here



Speaking during the side event, Hon. Susan Mang'eni, the Principal Secretary state department for MSMEs Development called on both Kenyan and European investors to increasingly support young businesses especially those led by women and youth, a direction she said would contribute to growing sustainable, strong and inclusive businesses as well as the creation of decent jobs.

MSMEs are the backbone of Kenya and East Africa, contributing to about 80% of the total labour workforce employing over 14.9 million people mainly women and youth; and forming about 33% of the GDP.

As part of the government's efforts to support the MSMEs sector, the Hustler Fund was formed, to ensure financial inclusion by personal, micro, MSMEs and Start-up financing.

Watch the IYBA Session 2 Here



In just 82 days, the PS reported that over 19.8 billion shillings have been put into the fund and has funded over 18.9 million Kenyans with savings of 1 billion shillings and a repeat customer base of 6.2 billion.

The fund would implement micro and macro group loans by end of February 2023.

The Ministry has also boosted MSMEs by subsidizing the registration fund, and by providing training on intellectual property protection. While Kenyan MSMEs were encouraged to learn from their European counterparts' good practices, it was agreed that there was a great need to tailor the information learnt to the Kenyan culture to ensure practical business skills and tools are brought in.

## NETWORKING COCKTAIL COURTESY OF EQUITY BANK



Listen to Dr James' Remarks



Following a full day 1 of discussions, sessions and meetings, the participants of the EU-Kenya Business Forum were treated to a networking cocktail graced by the EU Ambassador to Kenya, H.E Henriette Geiger who recapped the day's deliberations.

She was joined by the Equity Bank CEO Dr James Mwangi, CBS, who commended the outcomes of the forum having presented the country as a ready investment destination.

He emphasized Equity Group's support for both Kenyan and European businesses to facilitate trade and regional investments driven by collaborations and partnerships that lead to joint ventures.



## DAY 2 PLENARY

The second (half) day of the EU-Kenya Business Forum comprised a plenary session on the business environment, and a set of topical discussions that bring together experts and opinion setters in public and private sectors, from across Kenya and the European Union.



## PLENARY SESSION ON BUSINESS ENVIRONMENT

This session was moderated by the Director for Africa, Asia, and Pacific at the European Commission's DG Trade **Dora Correia**, with panellists including the Chair of the European Business Council **Darren Gillen**, the KEBS Director of Standards Development and Trade **Esther Ngari**, the Director of the Department of Business Reforms and Transformation **Fanuel Kidenda**, and the MD of the Kenya Association of Manufacturers **Anthony Mwangi**.

Watch the Full Discussion Here



From the discussions, it was emphasized that the Kenya Bureau of Standards (KEBS) aims at supporting the local industry by ensuring that products are certified and meet national standards. This enhances access to various markets both nationally, regionally, and internationally, which facilitates trade. KEBS develops standards that are stakeholder- and market-driven, meaning that they involve technical committees made up of industry representatives and other stakeholders to ensure that the standards they develop can be used for trading purposes.

On the other hand, the Kenya Association of Manufacturers (KAM) represents a robust advocacy group representing manufacturing companies in Kenya. It researches on behalf of the manufacturing companies to come up with fact-based solutions to present to the government for intervention in various areas, such as trade policies. It was highlighted that KAM focuses on improving the trade flows between different blocks, including the African Continental Free Trade Area and the East African Community.

It further helps in addressing legal and regulatory gaps to ensure the ease and cost of doing business in the country are improved. The Association also analyzes and presents budget proposals for domestic taxes to the National Treasury and the EAC region, dives deep into different sectors, identifying challenges and opportunities, proposes solutions to increase investments and improve the business environment, and conducts farm-level interventions to infuse competitiveness and incentivizes companies to be more efficient in areas such as water and electricity consumption.



It was also noted that the Department for Business Reforms and Transformation aims to increase direct foreign investment from \$500 million to \$10 billion by December 2023. It would further increase exports from 10% of the GDP to 30% by 2025, and increase manufacturing contribution to the GDP from 7% to 15% by 2027.

The department aims to achieve these goals by addressing the bottlenecks that businesses face, such as policy, taxation, and ease of doing business.

The department focuses on three specific issues, including escalating specific industry and sector concerns regarding regulatory and policy issues. It anticipates challenges related to environmental, social, and regulatory changes that could affect businesses and creates appropriate forums for

discussion and solutions, communicates policy changes and government priorities across different government agencies for quick solutions, and facilitates investment, export, and industry growth by removing the barriers and challenges that businesses face.

The Panelists identified the difficulty investors face when trying to set up a business in Kenya due to bureaucratic processes that involve obtaining multiple licenses from different government agencies; which was said to be time-consuming and expensive.

The discussion focused on the benefits of a One-Stop Service that would streamline the process and make it easier for investors to do business in Kenya.



Darren Gillen, the Chair of the European Business Council highlighted the example of Rwanda, where investors can set up their business within a day due to a similar system already in place.

They expressed hope that the Kenyan government would adopt such a system to attract more investment and help grow the economy.

Other business environment-related challenges identified included difficulties in accessing finance and business opportunities in Kenya, particularly for young people and small and medium-sized enterprises (SMEs).

The need for collateral to access funds also makes it difficult for young entrepreneurs to grow their businesses.

Banks were requested to make their loan application process easier and more accessible to small-scale farmers and SMEs.

Moreover, there is a lack of education among bank staff about the businesses seeking loans, making it difficult for them to determine who is eligible for funding. The government needs to provide more liquidity, particularly about VAT refunds, to give companies cash flow.

Finally, it was agreed that public participation was required when the government rolls out policy or legislation. The private sector players should participate in the public participation dialogue to ensure that their input is captured in the policy or law.

## Key Highlights from the Business Environment Session

KEBS develops standards that are stakeholder- and market-driven.

Certification of products enhances access to various markets nationally, & internationally, which facilitates trade.

Public participation is required when the government rolls out policy or legislation.

The private sector should participate in the public participation dialogue to ensure its input is captured in policy.

The government needs to provide more liquidity, particularly about VAT refunds, to give companies cash flow.

Young entrepreneurs find it difficult to grow their businesses due to the lack of collateral to access funds.

Kenya aims to increase direct foreign investment from \$500 million to \$10 billion by December 2023.

Also aims to increase exports from 10%-30% of the GDP by 2025 & manufacturing contribution to the GDP from 7%-15% by 2027.



## DAY 2 KEY THEMATIC DISCUSSIONS

Similar to day 1, the second day of the EU-Kenya Business Forum also featured concurrent sector-specific panel discussions including water, construction, renewable energy, logistics and freight, e-mobility and urban infrastructure as well as sustainable finance for investments and business.

### BUSINESS OPPORTUNITY IN WATER



The water session was moderated by the Program Officer of Water & Sanitation at AFD **Guillaume Polge**, and co-moderated by the Public Affairs, Communication and Sustainability Director at CCBA Kenya **John Mwendwa**. The panellists included the PS for Water and Sanitation **Hon. Dr Paul K. Ronoh** who was represented by the Ministry's Director of development **Eng. Mary Wamaitha**, Business Development Director for Africa at Almar Water Solutions **Luis Angel Blanco Ruiz**,

Export Area Manager Africa | Maghreb | Latin America at OLI Sistemas Sanitários **Rui Filipe de Oliveira Fernandes**, the Commercial Director at CityTaps **Arnaud Brunelle**, the CEO/Co-Founder of Boreal Light GmbH **Hamed Beheshti**, and the Sales Project Manager South Eastern Africa at Irritec **Elia Cammarata**.

One of the biggest challenges facing Kenya and the African continent at large is water scarcity, with severe droughts often leaving millions of people food insecure.

Therefore, a change in how we currently view water as a "social good" is needed, to incorporate more its scarcity, and the fact that it is no longer available in high quantity and good quality. The business perspective can bring an interesting point providing benchmarks with other countries and technologies.

The session shared lessons the EU Members States who have embraced sustainable water consumption methods, as well as from the Government's perspective of the public-private partnerships (PPP). It shone a light on available technologies from trailblazing companies such as smart metering and discussed sustainable principles that would help optimize sustainable systems.

Some of the solutions that were noted as adopted by private sector players included the mobilization of finances in any PPP model, investment in water treatment plants, and enhancing the recycling technology, among others. On the other hand, the government of Kenya has contributed to the evolution of the water sector by among others creating the National Water Sector Investment Plan, which brought about PPP financing and emphasized the introduction of advanced technology to improve service delivery.

To further improve the water and sanitation sector, participants collectively agreed on some common actions urgently required. These are such as the use of seawater, greywater and rainwater in toilets rather than using fresh water. An example is the City Mall in Mombasa, which saves 50% of its water by using seawater or rainwater to flush toilets, a project by OLI. Besides, individual responsibility when it comes to water use is key, for both households and businesses to optimize water consumption. Development of technological solutions and capacity building through the provision of Meter to cash process, and the adoption of desalination systems that can be used on farms.

Watch the Full  
Water Session Here



## Key Highlights from the Business Environment Session

Water scarcity & with severe droughts in Kenya & Africa often leaving millions of people food insecure.

The government contributed to the evolution of the water sector by creating the National Water Sector Investment Plan.

The National Water Sector Investment Plan brought about PPP financing.

The private sector has started investing in water treatment plants and enhancing recycling technology.

To save fresh water, seawater, greywater and rainwater can be used in toilets instead.

To optimize water consumption, individual responsibility is key.

There is a need for the development of more technological solutions such as desalination systems.

The private sector has included the mobilization of finances in any PPP model as a solution.

## BUSINESS OPPORTUNITIES IN CONSTRUCTION

Moderated by the President of the Italian-Kenyan Chamber of Commerce **Rita Ricciardi** and co-moderated by the Board Director of the Kenya Property Developers Association **Gikonyo Gitonga**, this session explored areas that can attract investors to the country and the numerous investment opportunities such as the manufacturing and supply of alternative building materials as well as urban renewal. It was graced by the PS for Roads **Eng. Joseph M. Mbugua**, among other panellists including the Managing Director of Mota Engil **Tiago Dias Barbosa**, the Kenya Project Manager at ICM S.p.A **Diego Rossi**, the Critical Infrastructure Business Development Manager - East Africa at Abloy **Anne Ngari**, and the Technical Specification Manager East Africa at Saint Gobain **Christopher Mulera**.



The session discussed the business opportunities in Kenya's construction sector while providing insights into the different models adopted by the sector players. Challenges and opportunities were addressed by looking at effective ways of navigating through them.



Kenya's government has heavily invested in the construction sector, to not only upgrade infrastructure such as road networks but to also provide affordable and sustainable housing to Kenyans.

According to the Kenya National Bureau of Statistics (KNBS), the construction and real estate industries are some of the main drivers of economic growth in Kenya.

This is a clear indication that the country's construction industry is highly developed. Most importantly, with a growing population, there is an urgent need to fill the housing gap in Kenya, and the growing adoption of sustainable low-cost housing development is commendable.

The audience encouraged the government to consider such alternatives as Design-Build-Finance when embarking on construction projects, to which the PS for Roads stated the possibility of hybrid projects, where responsibilities are shared, other than PPP projects which may have high costs due to interest rates.

**Eng. Joseph M. Mbugua** noted that tolling could be a solution for some projects, but this may be unpopular among some communities that are not used to paying for roads.

He suggests that it may be necessary to identify which projects are best suited for PPP financing and which can be funded conventionally, as different communities have different needs and preferences.

Finally, he suggested that sharing charges for construction and maintenance may be a viable option for some projects depending on the time of implementation.

The implementation of the Africa Continental Free Trade Area opens great opportunities to trade goods across the continent, which calls for the government's plans to dual its major roads that link Kenyan cities to the neighbouring countries to improve transport and attract business.

In this case, the Public-Private-Partnerships between Kenya and the EU presented great opportunities, even as the government continues to have discussions on challenges of risk allocation and the need for negotiation, and convergence, to develop successful PPP projects.

The government further committed to supporting projects and programs in the country by creating a conducive environment for investors to trade in the country. It welcomed new ideas and new models that have worked in the EU and its Member States.



Climate change continues to pose a threat to our planet, and it is becoming increasingly necessary for industries, including the construction sector, to act towards sustainability. Construction companies have a significant impact on the environment, and their operations can contribute to greenhouse gas emissions and other harmful pollutants.

As discussed in this session, going green in the construction industry involves implementing sustainable practices that reduce the carbon footprint of buildings, such as using renewable energy sources, using eco-friendly building materials, and incorporating green spaces in building designs.

These practices not only benefit the environment but also have economic benefits, including reduced energy costs and improved public image.

Therefore, construction companies must adopt green practices to contribute towards a sustainable future.

**Watch the Construction Session Here**



## Key Highlights from the Construction Session

Kenya's government has heavily invested in providing affordable and sustainable housing to Kenyans.

However, there is still a huge housing gap that needs to be urgently filled.

The construction and real estate industries are some of the main drivers of Kenya's economic growth.

Kenya's construction industry is highly developed.

The adoption of sustainable low-cost housing development is growing.

The government is committed to creating a conducive environment for investors to trade in Kenya.

A possible solution for some projects is tolling and sharing charges for construction and maintenance.

Construction companies must adopt green practices to contribute towards a sustainable future.

## BUSINESS OPPORTUNITIES IN RENEWABLE ENERGY



The Panel Session on Renewable Energy was moderated by Delegate of German Industry for Eastern Africa **Maren Diale-Schellschmidt**, and co-moderated by CEO of Kurrent Technologies and KEPSA Board member **James Mwangi**.

Besides the PS for Energy **Alex K. Wachira** who graced the panel and entered into a lively discussion with the audience, the panel consisted of representatives of several European companies who are already active in the Kenyan renewable energy market.

The panelists were the Executive Chairman of Alten Energias Renovables, **Eng. Juan Laso Rodriguez**; the Director of the Nairobi Office of Fichtner GmbH, **Kabengele Bredt**; the Business Development Manager at Hydrobox, **Floris Van Zuilekom**; the Head of Business Development East & West Africa at Enel, **Matteo Cavadini**; the Managing Director of Ecoener, **George Aluru**; and the Chief Operating Officer of PowereX, **Tomas Stribula**.

In this setting, the session shed light on available solutions including regenerative models. Several best practice examples on European companies' engagements in this sector could be presented by the panelists – these examples will encourage more cooperation projects and investments for a just transition to more sustainable energy sources. All examples also showed that investments in this sector can be profitable while at the same improving livelihoods and the environment.



In most parts of Sub-Saharan Africa, the dominant energy sources for electricity generation include fossil fuels such as coal.

The continent must catch up with the rest of the world in transforming into low carbon economies by for example using renewable energy sources, such as biomass and biofuels. With a liberalized energy sector, Kenya has made momentous progress in the formulation of renewable energy policies.

The country's electricity power mix is among the most sustainable in the world, with 80% of electricity coming from renewable sources.

According to Hon. Alex K. Wachira, the PS for Energy who graced the event, Kenya releases about 91% clean energy. Of Kenya's built capacity of 3,322 megawatts, 73% is from green energy including hydropower, geothermal, solar, and wind power.

This has been made possible through deliberate efforts by the government, to achieve 100% clean energy by 2030, clean cooking by 2028, and increase connectivity to the grid from 29% in 2013 to 100% in the next 5 years.

This will be enabled through the creation of mini-grids via different programs such as the Kenya Off-Grid Solar Access Project (KOSAP) funded by the World Bank, and the Kenya Energy Modernization Program. Currently, the country has about 73% of its citizens connected to the grid.

In 2022 during the Cop27, Kenya announced a plan to produce green ammonia and fertilizer by building a 300 MW generation capacity. It was noted that to get cheap hydrogen, cheap baseload is needed, which in the case of Kenya is geothermal or hydropower.

Therefore, the best approach would be to make the cost of geothermal as competitive as possible, to enable the end product of the fertilizer to be cheap enough for the government to implement its policy of providing cheap inputs to the agricultural sector and ultimately improve food security.

## Key Highlights from the Renewable Energy Session

Kenya has made significant progress in the formulation of renewable energy policies.

Kenya's electricity power mix is among the most sustainable in the world.

80% of Kenya's electricity comes from renewable sources.

The government aims to achieve 100% clean energy by 2030.

The Kenyan Government targets to achieve clean cooking by 2028.

Kenya aims to increase connectivity to the grid from 29% in 2013 to 100% in the next 5 years.

Mini-grids will be created to achieve Kenya's renewable energy targets.

Currently, the country has about 73% of its citizens connected to the grid.

Watch the Renewable  
Energy Session Here



## BUSINESS OPPORTUNITIES IN LOGISTICS AND FREIGHT

It was moderated by the Head of Trade and Development Cooperation at the Dutch Embassy **Joris Van Bommel**, and co-moderated by the CEO of the Kenya Shippers' Council **Gilbert Langat**. The panellists included the Head of Inland Container Depots at KPA **Paul Bor**, the Area Sales Manager at Liebherr **Norman Herzberg**, the Managing Director of DB Schenker **Dennis Keiser**, Messina Lines' **Capt. Cav. Giuseppe Fedele**, the Managing Director, Middle East and Africa at CEVA Logistics **Axel Herzhauser**, and the Managing Director, CMA CGM East Africa **Jean-Baptiste Longin**.

Logistics is a vital prerequisite for the economic performance of any economy, Kenya not being an exception.

Over the past years, the ease of doing business in Kenya has impressively improved due to the favourable political climate and an enhanced logistics and freight market which has witnessed positive growth; mainly as a result of successful collaboration between the public and private sectors.

During this session, the panel deep-dived into Kenya's bilateral and trade agreements including with EU Member States, along with initiatives that boost foreign investment in the logistics and freight sector.

Two important points were raised in this session, including how to maintain a balanced and more operational Kenyan-European trade exchange; and how to create an efficient clearing and forwarding system.

A balance in trade exchange, however, remains a concern that should be closely and continuously monitored by the Kenyan Government and trade regulation bodies.

The challenge sighted was that Kenya imports more than it exports, therefore leading to a consumption-based trade, thus underutilizing Kenya's export goods manufacturing industry. One such industry is the textiles Export Processing Zone (EPZ).



More challenges exist but they are far more operational than the two above.

One operational challenge is the lack of enough freight forwarders and a high production cost leading to high retail prices for the clients.

These challenges however can be easily looked at as opportunities for other investors to step in and fill in the gap. Others can even self-correct when more complex challenges are addressed.

Having an imbalanced trade system where one country is importing more than exporting can also expose the country to dumping of electronic waste.

When it comes to an efficient clearing and forwarding system, technological enhancement should be incorporated into the importation Industry.

One of the manufacturers in the session mentioned that they would make about "2,000 Euros more every year" in road rail, water and air, and logistics if customs worked at the weekend.

The manufacturer said that it is a lack of enough forwarders and proper forwarding systems that delays the clearing process creating a bottleneck.

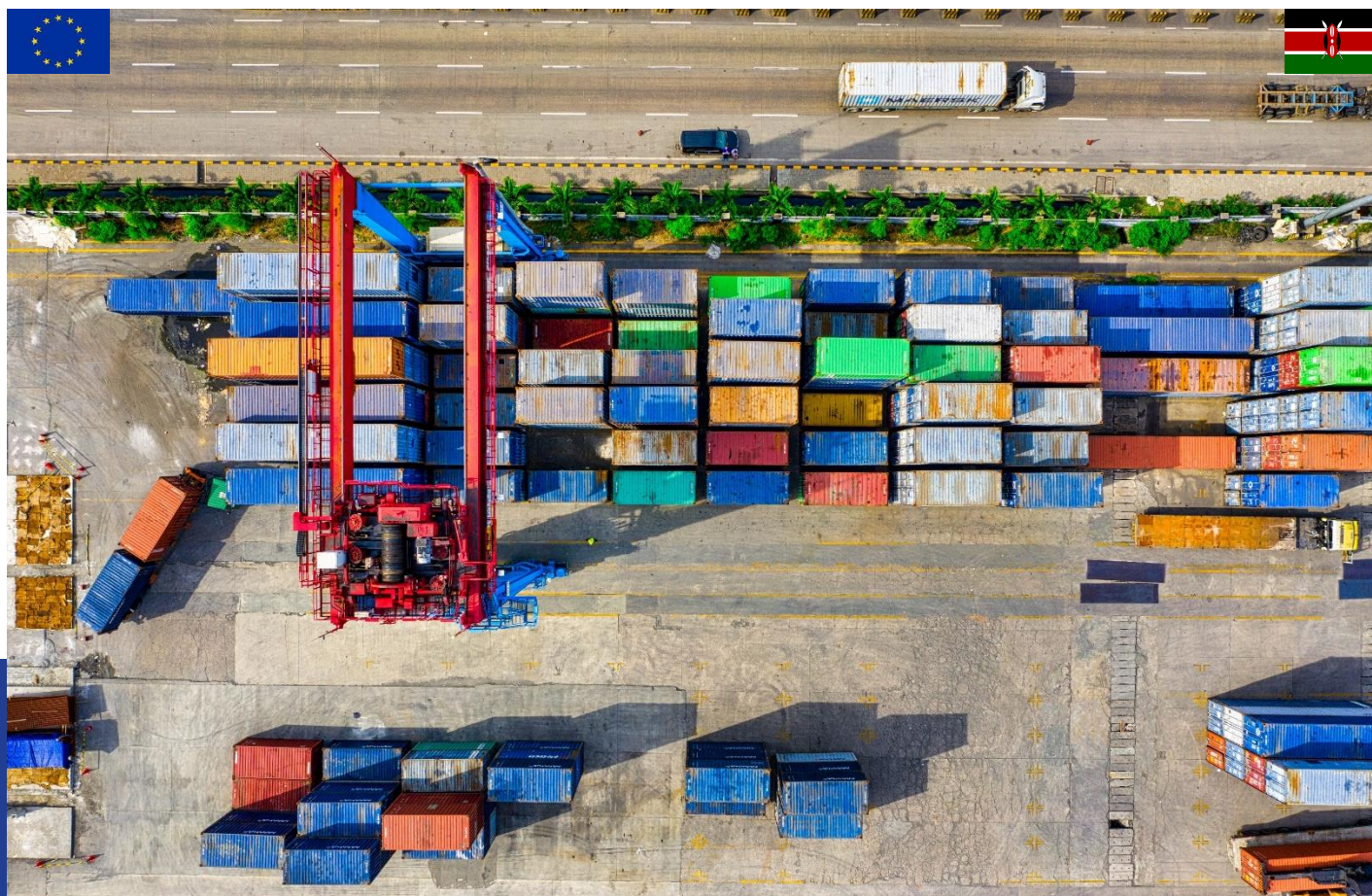
The railways and roads network are key drivers accelerating growth in Kenya's logistics sector, estimated to reach Sh500 billion (\$5 billion) by the end of 2023 according to Ken Research.

One member of the panel proposed that high-integrity forwarders should consider working through the weekend to create a freer-flowing forwarding system.

The gap can be filled by an independent clearing and forwarding company that has the proper infrastructure, thus creating an investment and/or partnership opportunity.

Another prospect that came up from the session was the need for a consultancy network for the investors and customers entering the Public-Private Partnership market.

There seemed to be an interest for investors to join the PPP market but they need access to market information.



As the world marches towards sustainable business practices, dumping is an issue that has to be addressed by every country's importation laws.

Kenya should keep watching for electronic and mechanical waste dumping as they continue with international trade.

The motor vehicles industry has an importation law which states that one cannot import any vehicle older than 7 years into the country.

Such a rule should be implemented and closely monitored across all items Kenya imports in bulk, according to the panellists.

Furthermore, the growth of the freight forwarding market has been contributed to by the industrial, F&B, and FMCG sectors, especially for the international market.

On the bright side, there are business opportunities that can be drawn from the challenges presented above.

The forwarding delay seems to be a lack of manpower and proper technical systems to hasten the clearing and forwarding process. In conclusion, the panel presented room for the freight and logistics industry in Kenya to grow.

If the challenges mentioned above are addressed, the other minor challenges will self-correct and the freight and logistics system will be free-flowing to create more trade opportunities for the country.

An efficient logistics system invites more trade investment and more business and promotes the country's financial and infrastructural growth.

Watch  
Logistics &  
Freight Session  
Here



## Key Highlights from the Logistics and Freight Session

Logistics is a vital prerequisite for the economic performance Kenya.

There is a lack of freight forwarders and high production costs leading to high retail prices.

Investors need access to market information.

Technological enhancement should be incorporated into the importation industry.

Forwarders should consider working through the weekend to speed up the process.

A 'no dumping' rule should be implemented across all items Kenya imports in bulk.

Kenya imports more than it exports.

A balance in trade exchange is a concern that should be closely and continuously monitored.

There is a need for a consultancy network for investors and customers entering the Public-Private Partnership market.

An efficient logistics system invites more trade investment and more business.

The forwarding delay seems to be a lack of manpower and proper technical systems to hasten the clearing and forwarding process.

## BUSINESS OPPORTUNITIES IN E-MOBILITY & URBAN INFRASTRUCTURE

This session was moderated by the Portuguese Business Council's **Joao Ramos** and co-moderated by the Head of Kenya Operations at Arc Rides **Warren Ondaje**.

They were joined on the panel by the Ag. Director General of the Nairobi Metropolitan Area Transport Authority (NaMATA) **Eng. Francis Gitau**, Centunion's East Africa Representative **Manuel Guerrero Caja**, the Managing Director at Kone **Lawrence Githinji**, Director at Rina **Elio Calidori**, the Managing Director at Salvador Caetano Kenya **Pedro Campos**, the Cofounder and COO of Roam **Mikael Gange**, and the Chairman and Country Delegate at CFAO Kenya **Amb. Dennis Awori**.

It provided a platform for participants to discover Kenya's investment potential for e-mobility.

The e-mobility sector is fast growing across the world. In Kenya specifically, more than 25 companies have already been set up in the country from almost none in the last 5 years, with over 50 million dollars already invested in the e-mobility space.

E-mobility is not only a big off-taker of energy from the national grid but also plays a role in decarbonizing the transport industry and helping the country meet its Nationally Determined Contributions (NDCs).



The discussion came at a time when most countries are transitioning to become e-mobile, a fact that was stated during the panel. It was, therefore, timely to identify the challenges and explore solutions facing the African countries, and help them move with the speed being employed by their European and Western counterparts.

For Kenya, the main challenge identified was the lack of adequate e-mobility infrastructure and the ability to finance it, such as the lack of enough charges and their slow speed; the high price of charging electric vehicles; a lack of proper urban planning and training on electric cars, as well as inadequate backing from the government.



Accelerating the installation of charging stations across the nation and then continent-wide, would also significantly contribute towards CO2 emission reduction, one of the major impacts on health in Kenya.

Internationally, the transport sector requires the 3rd largest reduction of CO2 emissions at 18% to achieve the 2-degree target (UN Environment – Electric Mobility in Africa, 2018) and four-wheeler markets in Africa, are largely not ready for the transition in some specific areas such as business fleets and Mass transit projects (McKinsey, Power to Move Report, February 2022).

For the EV two-wheeler sector, market conditions are extremely favourable for rapid adoption – urban and rural and have the capacity to improve urban infrastructure.

In Kenya alone, motorbikes currently produce approximately 4.5 million mt of CO2 per year, and this is forecast to grow to 10 million mt per annum by 2030, 7% of Kenya's 143 million mt targets for CO2 emission reduction. E-bikes can reduce this by 83% (World Bank, Energy & Petroleum Statistics Report 2019), and some companies such as Kone East Africa are already making a difference in the market, by using technology to provide a smarter and more sustainable e-mobility sector.

As a developing technology, the panel agreed that it should become more efficient, applicable and affordable.

To achieve this, more partnerships are required, not only within the supply chain but also in planning and knowledge sharing that would benefit the newcomers from the experiences of the trailblazers.

Watch the E-Mobility Session Here



## Key Highlights from the E-Mobility Session

The e-mobility sector is fast growing across Kenya.

The sector plays a role in decarbonizing the transport sector in Kenya.

The main challenge for Kenya is the lack of adequate e-mobility infrastructure.

Another challenge Kenya faces is the inability to finance e-mobility infrastructure.

E-bikes can reduce 83% of CO2 emissions emitted by motorbikes.

More partnerships, planning and knowledge sharing are required within the supply chain.

CO2 emission is one of the major impacts on health in Kenya.

Accelerating the installation of charging stations would significantly contribute towards CO2 emission reduction.

Internationally, the transport sector requires the 3rd largest reduction of CO2 emissions at 18% to achieve the 2-degree target.

Four-wheeler markets in Africa are largely not ready for the transition except in some specific areas such as business fleets and Mass transit projects.

In Kenya, motorbikes currently produce approximately 4.5 million mt of CO2 per year, and this is forecast to grow to 10 million mt per annum by 2030.

## SUSTAINABLE FINANCE FOR INVESTMENTS AND BUSINESS

The session was divided into two different segments. The first was the Financial Instruments available in Kenya moderated by the CEO of EAVCA Association **Eva Wagiria**. She was joined by Get-Invest Team Leader **Michael Franz**, the Head of Corporate and Financial Institutions at CDP **Ruggero Pietrafesa**, the Director of Financial Institutions at FMO **Marnix Monsfort**, and EIB's **Jan-Willem LÖHR**.

The panellists representing different EDFIs sought to invest in businesses that provide solutions for global challenges including climate change, water and waste to energy among others.

The second segment was on Green Finance and was moderated by the Counsellor Team Europe, EU Delegation to Kenya **Robert Backlund**.

He was joined on the panel by the Co-Founder and Director of Climate Transition Limited **Olumide Lala**, the Acting Director of Unit for Green Finance and Circular Economy, National Treasury in Kenya **Malik Aman**, the CEO of FSD Africa **Mark Napier**, the Head of Risk and Compliance at ICEA LION Group **Dorothy Maseke**, and the Team Leader, European Commission, Unit for Sustainable Finance Policy **Amaury Chazeau-Guibert**.

Kenya's financial system is one of the most developed in Sub-Saharan Africa, comprising numerous commercial banks, a stock market, insurance companies, non-bank financial institutions such as microloan organizations, and thousands of savings and credit associations to which most Kenyans belong. Additionally, the Kenyan economy is highly monetized with the monetary sector contributing nearly 95% of the country's GDP.

It is for this reason that sustainable Finance for Investment and Business was crucial to take place during the EU-Kenya Business Forum. This session was organized by the department for International Partnerships (INTPA), the European Commission department responsible for international development policy and included all European Development Finance Institutions (EDFIs).





According to a 2022 Financial Sector Stability Report by the Central Bank of Kenya, the country's economy rebounded in 2021, growing by 6.8% from a contraction of 0.3% in 2020.

This is following the ease of COVID-19 containment measures, and the successful deployment of monetary, fiscal, and financial policies.

The recovery remains on course and overall, regulators, policymakers, authorities, and other stakeholders have put in place policy measures and are ready to further mitigate potential vulnerabilities such as cyber security to ensure financial and macroeconomic stability beyond 2022.

Here, the panel emphasized the need to create a more elaborate financial market for green products, including for Green Bonds, and the need to have in place a coordination mechanism for tracking of climate finances.

The green fiscal incentive that is currently undergoing public participation was brought to light, as it seeks to explore ways of incentivizing the private sector to be more deliberate in climate action.

Through Vision 2030, the Government of Kenya aims to create a more vibrant and globally competitive financial sector.

This session explored key drivers to achieve this vision, and the need for private and public sector to come together to push for a stable regulatory environment with clear environmental ambitions, where Kenyan actors in Kenyan financial sector also could benefit from the EU's experiences of sustainable finance.

**Watch the Sustainable Finance Session Here**



## Key Highlights from the Sustainable Finance Session

Kenya's financial system is one of the most developed in Sub-Saharan Africa.

There is a need to create a more elaborate green market in Kenya.

The green fiscal incentive seeks to find ways to incentivize the private sector to be more deliberate in climate action.

The Government aims to create a more vibrant and globally competitive financial sector.

Some drivers of a vibrant financial sector are a stable regulatory environment and increased adoption of technology.

Another key driver could be the emergence of alternative channels of distribution.

Kenya's economy rebounded in 2021, growing by 6.8% from a contraction of 0.3% in 2020 due to Covid.

There is a green fiscal incentive that is currently undergoing public participation.

Kenyan actors in Kenyan financial sector have the opportunity to benefit from the EU's experiences of sustainable finance.

The recovery was due to the ease of COVID containment measures & the successful deployment of monetary, fiscal, and financial policies.

The incentive seeks to explore ways of incentivizing the private sector to be more deliberate in climate action.

# THE CLOSING CEREMONY

At the end of the two-day forum, the European Union reinforced the economic offer to Kenya and the world, to increase cooperation as part of the EU vision of a cooperative Europe, open for business. Reinstating the aim of the forum as to shine a light on the EU-Kenya business and economic ties, the European Union Ambassador to Kenya H.E. Henriette Geiger expressed her optimism that the private sectors in both Kenya and the EU were keen to work together. She further noted that there remained major opportunities for Kenya to contribute to a thriving and vibrant Africa.

Giving a recap of the different sessions held throughout the forum, she thanked the Kenya Private Sector (KEPSA), and the European Business Council for their partnership in implementing the forum, and all the participants for embracing the ideas, and discussions held. She called on everyone to contribute to the success of the new chapter full of cooperation and officially declared the EU-Kenya Business Forum 2023 closed.

Watch the  
Closing  
Ceremony



GET IN TOUCH

