REPUBLIC OF KENYA

MINISTRY OF INVESTMENTS, TRADE, AND INDUSTRY

KENYA PUBLIC SECTOR - PRIVATE SECTOR ENGAGEMENT POLICY

NOVEMBER 2025

FOREWORD

The Private Sector is a cornerstone of Kenya’s economic transformation and an indispensable partner in the pursuit of sustainable, inclusive, and globally competitive growth. The sector contributes about seventy per cent (70%) of formal wage employment, driving investment, innovation, and productivity across key sectors of the economy, including manufacturing, agriculture, and services.

Over the years, the Government has made remarkable progress in creating an enabling environment for the private sector to grow and thrive. However, the evolving dynamics of trade, innovation, and global competitiveness demand a more structured, predictable and coordinated engagement framework between the public and private sectors to achieve common developmental goals.

The *Kenya Public Sector-Private Sector Engagement Policy* provides for this framework. It seeks to strengthen collaboration between the Government and the Private Sector to unlock new opportunities for Private Sector development, competitiveness, and job creation in Kenya. It institutionalises mechanisms for structured engagement, policy coherence, and evidence-based decision-making - to ensure that Kenya’s development priorities reflect the aspirations and capacities of both the Public and Private Sectors.

This policy underscores the Government’s commitment to inclusivity by ensuring that businesses of all sizes - micro, small, medium, and large-participate meaningfully in national decision-making processes. It also lays the foundation for a *unified voice for the private sector* through coordinated business membership organisations, thereby enhancing advocacy, innovation, and competitiveness.

By institutionalising public–private collaboration, this policy provides a framework for effective co-creation of reforms, improvement of the business environment, and fostering accountability in policy implementation. Ultimately, it will further strengthen Kenya’s position as a premier global destination for investment, trade, and industry. I therefore urge all players to take up their roles towards full implementation of this policy.

Hon. Lee Kinyanjui
Cabinet Secretary
Ministry of Investments, Trade and Industry

PREFACE AND ACKNOWLEDGEMENT

The development of the *Public-Private Sector Engagement Policy* marks a significant milestone towards strengthening coordination, institutionalising a legal framework for Public-Private engagements, whilst strengthening the capacity of the Business Membership Organisation to engage with the Government.

This Policy has been developed through a highly consultative and inclusive process, drawing insights from public institutions, business membership organisations, and research institutions. It provides a clear institutional, legal, and operational framework for structured engagement between the public and private sectors. It defines mechanisms for coordination, dialogue, and partnership—essential for building trust, enhancing transparency, and driving evidence-based reforms that support our national development priorities.

The development of this policy has also been informed by international best practices, drawing lessons from Turkey - Union of Chambers and Commodity Exchanges statutory model; Ghana - National Chamber of Commerce and Industry voluntary model; Singapore- International Chamber of Commerce hybrid model; Bangladesh - Business Initiative Leading Development unique collaborative platform; and World Bank's Public Private Dialogue Frameworks "Charter of Good Practice". Others included models from Nigeria, Zambia, Laos and Vietnam on structured engagement.

I extend my sincere appreciation to the Technical Working Group, led by my State Department, Business Membership Organisations, Ministries, Departments, Agencies, and the Council of Governors, for the commitment and professionalism throughout the policy development process. Special gratitude goes to the Kenya Jobs Economic Transformation Project financed by the World Bank for providing financial and technical support in drafting this policy.

We look forward to continued collaboration in the implementation of this policy, to ensure that Kenya's public–private engagements contribute effectively to achieving the national development goals and the Kenya Economic Transformation Agenda.

Abubakar Hassan Abubakar
Principal Secretary
State Department for Investment Promotion

TABLE OF CONTENTS

ABBREVIATIONS AND ACRONYMS

ACA	Anti-Counterfeit Authority
ADR	Alternative Dispute Resolution
AfCFTA	African Continental Free Trade Area
AG	Attorney General
AGOA	African Growth and Opportunity Act
BCKC	Business Council of Kenya
BETA	Bottom-Up Economic Transformation Agenda
BMOs	Business Membership Organization(s)
BUILD	Business Initiative Leading Development (Bangladesh)
CAIPs	County Aggregation and Industrial Parks
CAP	Chapter (of the Laws of Kenya)
CBO	Community-Based Organization(s)
CEPA	Comprehensive Economic Partnership Agreement
CIDP(s)	County Integrated Development Plan(s)
CIU	County Investment Unit
COMESA	Common Market for Eastern and Southern Africa
CSO(s)	Civil Society Organization(s)
EAC	East African Community
EPA	Economic Partnership Agreement
EPZ	Export Processing Zone
ESG	Environment, Social, Governance
FBO	Faith-Based Organization
FDI	Foreign Direct Investment
FEDCOC	Federation of Egyptian Chambers of Commerce
GDP	Gross Domestic Product
GNCCI	Ghana National Chamber of Commerce and Industry
ICT	Information and Communication Technology
IFC	International Finance Corporation
IP	Intellectual Property
KAM	Kenya Association of Manufacturers
KEBS	Kenya Bureau of Standards
KENINVEST	Kenya Investment Authority
KIPPRA	Kenya Institute for Public Policy Research and Analysis
KIRDI	Kenya Industrial Research and Development Institute
KNBS	Kenya National Bureau of Statistics
KPI(s)	Key Performance Indicator(s)
KRA	Kenya Revenue Authority
M&E	Monitoring and Evaluation
MDAs	Ministries, Departments, and Agencies
MEAL	Monitoring, Evaluation, Accountability, and Learning
MERL	Monitoring, Evaluation, Research, and Learning
MITI	Ministry of Investments, Trade and Industry
MOU	Memorandum of Understanding

MSE	Micro and Small Enterprise
MSMEs	Micro, Small, and Medium Enterprises
MTP IV	Fourth Medium-Term Plan (2023–2027)
NACCIMA	Nigerian Association of Chambers of Commerce, Industry, Mines and Agriculture
NESC	National Economic and Social Council
NGO	Non-Governmental Organization
NHIF	National Hospital Insurance Fund
NIC	National Investment Council
NIMES	National Integrated Monitoring and Evaluation System
NITA	National Industrial Training Authority
NSSF	National Social Security Fund
ODP	Office of the Deputy President
OPCS	Office of the Prime Cabinet Secretary
PDU	Presidential Delivery Unit
PPD	Public–Private Dialogue
PPDF	Public–Private Dialogue Forum
PPE	Public–Private Engagement
PPEF	Public–Private Engagement Forum
PPP	Public–Private Partnership
PRT	Presidential Round Table
PSDPCC	Private Sector Development Policy Coordination Committee (Bangladesh)
R&D	Research and Development
SDG	Sustainable Development Goal
SDIP	State Department for Investment Promotion
SDT	State Department for Trade
SEZ	Special Economic Zone
SHIF	Social Health Insurance Fund
SICC	Singapore International Chamber of Commerce
SMEs	Small and Medium Enterprises
TOBB	Türkiye Odalar ve Borsalar Birliği (Union of Chambers and Commodity Exchanges of Turkey)
TWG	Technical Working Group
UK	United Kingdom
VAT	Value-Added Tax
VBF	Vietnam Business Forum

DEFINITION OF TERMS

Business Membership Organization (BMO): An institutional body constituted of business enterprises registered under the Companies Act Cap 486, Societies Act Cap 108, Cooperatives Societies Act Cap 490 and Labour Relations Act Cap 233; which come together with the objective of promoting, advancing, or representing the interests of their member businesses.

Development Partners: Bilateral, multilateral or philanthropic agencies providing financial, technical or capacity-building support for policy and programme implementation.

Digital Engagement Tools: Online platforms enabling interactive communication between public and private actors.

Investment Climate: The policy, institutional and regulatory environment influencing investment decisions

Private Sector: businesses and organizations owned or operated by the private individuals or groups.

Public Sector: Agencies of the National government – (Ministries, State Departments, Agencies, State Corporations, independent offices, Constitutional commissions, National Security organs and Disciplined Forces) and County governments.

Public–Private Dialogue (PPD): Discussions between Government and the private sector to identify and address administrative, regulatory and policy constraints affecting the business environment.

Public-Private Engagement (PPE): Interaction between the public sector and private sector to achieve shared goals, for the improvement of investment climate and policy reforms.

Public-Private Engagement Framework (PPEF): A formalized mechanism for effective interaction between the public sector and private sector to achieve shared goals, for the improvement of investment climate and policy reforms.

Public–Private Partnership (PPP): Contractual collaboration between the public and private entities to jointly deliver public goods or services, share risks and benefits.

Roundtable Forum: A structured meeting format for stakeholders to deliberate on policy or sectoral issues.

Sector Cluster: Grouping of related industries or organizations for collaborative engagement.

Stakeholder Consultation: The process of seeking views from the private sector to inform decision-making.

Stakeholder Engagement: Consultation and involvement of all relevant actors in decision-making.

EXECUTIVE SUMMARY

The Private Sector is the backbone of Kenya's economy in realising the desired socio-economic transformation. The Private Sector contributes about 70% of jobs in the formal sector and up to 95% of the jobs in both formal and informal sectors, and is key in driving investments, innovation and exports. In line with the Kenya Vision 2030 targets, the Private Sector is envisaged to contribute 88% of the savings and 75% of the investments by 2030.

While the government of Kenya has over the years made remarkable milestones in creating an enabling environment for the private sector to thrive, framework for the Public Sector-Private Sector Engagement (PPE) has not been institutionalised and remained *ad hoc*, inefficient and ineffective. The evolving regional and global dynamics of investments, trade and competitiveness further demand a more structured, predictable and coordinated engagement framework between the public and private sectors to realise developmental goals. Further, weak coordination and capacity constraints faced by the numerous Business Member Organisations (BMOs) hinder effective Private Sector engagement with the government. The *Kenya Public Sector-Private Sector Engagement Policy* provides the framework to address these challenges. It institutionalises mechanisms for structured PPE and evidence-based decision-making.

The goal of this policy is to promote an inclusive, globally competitive and prosperous business community in Kenya through strengthened PPEs. This will be achieved by strengthening coordination of PPEs; developing a legal and institutional framework to facilitate PPEs; and strengthening the capacity of BMOs to effectively participate in PPEs. This policy applies to both the Government and BMOs engaged in business operations in Kenya, ensuring that the private sector operates in a cohesive, competitive, and globally recognised manner for driving inclusive economic growth and development.

Towards realising successful implementation of this policy, the roles, responsibilities, and coordination mechanisms of the different actors including the National and County Governments; Development Partners; and Private Sector are clearly spelt out. The

Ministry responsible for Investments, Industry and Trade will develop a PPE framework and champion the coordination and implementation of this Policy.

Further, this policy provides for a framework for the enactment of a law establishing the *Business Council* of Kenya with clear mandates, functions, and governance structure. The *Business Council of Kenya* will among other roles coordinate structured engagements involving the government, the private sector and development partners leveraging strategic partnerships; coordinate technical support and capacity building initiatives for BMOs; coordinate and facilitate research and knowledge sharing to support evidence-based advocacy; develop and implement Monitoring, Evaluation, Accountability and Learning (MEAL) frameworks on PPEs; mobilise resources for implementation of this policy; and develop, implement and maintain an Environment, Social, Governance (ESG) and climate risk management framework in entrenching sustainable business practices.

A robust Monitoring and Evaluation (M&E) framework will ensure that the intended objectives are met, and corrective measures are taken in a timely manner. A comprehensive evaluation shall be conducted every five (5) years to assess this Policy's impact on Kenya's business and investment environment.

CHAPTER ONE: INTRODUCTION

1.1 Background

The private sector in Kenya comprises both formal and informal enterprises that drive economic growth, employ a major share of the workforce and contribute significantly to Gross Domestic Product (GDP). About seventy percent (70%) of the formal wage employment emanates from the private sector[1]. The private sector is highly diverse; from micro enterprises which tend to be informal, to large multinational corporations. The diversity also exists in terms of sectors. The private sector operates in multiple sectors, including manufacturing, agriculture and services. Geographically, private sector enterprises are dispersed countrywide, though concentrations are higher in the cities and major urban centres.[2]

Private sector businesses in Kenya often form or affiliate with business associations as a means of securing a collective voice and representation, accessing sector-specific networks, and benefiting from business support and resources. A Business Membership Organization (BMO) provides services such as advocacy, networking, capacity building, policy engagement, research and development, information sharing, and market linkages. They may be structured as trade associations, chambers of commerce, industry federations, or sectoral associations/alliances. They play a critical role in engaging the public sector whilst serving their members' interests.

The private sector in Kenya is characterized by numerous BMOs that are either local or foreign-affiliated. Foreign affiliated business associations promote trade, investment and networking between Kenya and the specific country/ies or region/s they represent,

[1] Kenya National Bureau of Statistics (KNBS), Economic Survey 2025 reveals total wage employment is 3.2 million persons of which 1.0 million persons are engaged in the public sector

[2] African Development Bank, *The State of Kenya;s Private Sector.* Notes that major enterprises are largely urban based though the private sector has a regional spread. The 2009 Kenya National Bureau of Statistics *Analytical Report on Urbanization* acknowledges that the smaller private enterprises are informal businesses located around the country.

thereby adhering to the set of principles and objectives laid out by their respective national associations.

The diversity and vibrancy of business ecosystem in Kenya is reflected in the scope and various areas of specialisation. The business membership associations are established under various legal frameworks depending on their nature and scope that include Companies Act Cap 486, Societies Act Cap 108, Cooperatives Societies Act Cap 490 and Labour Relations Act Cap 233. BMOs have over the years played an important role in articulating private sector priorities to the government, thus influencing policy. The government has over the years established different mechanisms for engaging the private sector, often shifting across the government administrations. This includes establishment of National Economic and Social Council (NESC) with representation from the private sector; National Investment Council which also has representation from the private sector; *ad hoc* Presidential Round Table (PRT) forums and Ministerial stakeholder forums.

1.2 Policy Issue

The private sector in Kenya is the backbone of the economy and a key contributor to GDP, employment, investment, and innovation. However, it is made up of numerous and diverse BMOs and other private entities, which makes it difficult to engage with the Public Sector due to multiplicity of efforts and conflicting positions on certain issues. Further, the platforms established over the years for enhancing Public-Private engagements have not been efficient and effective in addressing private sector concerns due to varying and at times conflicting positions. This is further exacerbated by the absence of a comprehensive policy framework to facilitate coordinated and structured PPEs. The absence of a consolidated, unified voice for the private sector contributes to *ad hoc* engagements, leading to policy gaps.

Similarly, this limits the government's ability to engage the private sector in a coordinated, inclusive, and evidence-based manner. Thus, the need to put in place appropriate structures and channels for systematic and consistent PPEs.

1.3 Rationale of the Policy

The private sector is a critical driver of Kenya's economic growth, contributing about seventy per cent (70 %) of the jobs created in the formal sector, and ninety-five per cent (95%) within both formal and informal sectors. Further, the private sector catalyses innovation, investment and trade. However, the effectiveness of the private sector's contribution to national development has been undermined by weak coordination, duplication of efforts, and the absence of a unified platform for structured engagement with the government.

Currently, multiple BMOs operate independently, often with overlapping mandates and competing interests. This has made it difficult for the BMOs to speak in one voice to articulate and advocate for the collective interests of the business community. The absence of a structured PPE framework has further weakened the ability of the private sector to effectively influence policy, engage in trade negotiations, investment promotion, Public–Private partnership initiatives, and leverage opportunities in domestic, regional, and global markets. Similarly, the public sector requires an entry point to consolidate the issues raised by the private sector for administrative, policy and/or legislative consideration.

Globally, model business associations are well-structured, authoritative, and inclusive, with clear structures on unifying business interests, advocating for pro-business policies, thus articulating collective private sector priorities. Well-structured associations also engage government through formal public–private dialogue mechanisms, provide evidence-based policy inputs, and support transparency and accountability in policy implementation, thus promoting private sector growth. They also strengthen ethical practices and facilitation of international market access.

This policy is aimed at strengthening coordination and institutionalising the PPE to position the private sector as a strong partner in achieving economic transformation in Kenya.

1.4 Policy goal and objectives

The overall goal of this Policy is *"To promote an inclusive, globally competitive and prosperous business community in Kenya through strengthened Public-Private engagements"*.

The specific objectives of the policy are:

i. To enhance coordination of engagements between the Government and Private Sector Associations/Business Membership Organizations
ii. To strengthen the capacity of Private Sector Associations/Business Membership Organizations to effectively advocate for policy;
iii. To develop a legal framework to anchor and facilitate structured Public-Private Engagements.

1.5 Guiding principles and values

The guiding principles and values for this Policy are:

Transparency: The Government commits to openness, accountability, and clear communication in its operations, decision-making, and stakeholder engagements to build trust with the private sector and enable effective public-private collaboration.

Cohesiveness: A unified business front is required to ensure effective representation and advocacy, addressing fragmentation and unethical competitive rivalry that undermine collective interests. By facilitating the consolidation of the private sector voice, the policy advances the mission to promote a cohesive, globally competitive and prosperous business community.

Inclusiveness: This policy promotes representation of businesses across all sectors, firm sizes, and regions in Kenya to ensure that the diversity of private sector interests is reflected in decision-making and access to opportunities. By enabling broad-based participation, the policy seeks to support implementation of the Vision of a globally competitive business community.

Good governance: Strong governance frameworks, ethical conduct, and self-regulation are central to this policy. Good governance entails clear and accountable leadership, ethical, transparent decision-making that ensures fair representation and credibility, nationally, regionally and internationally.

Sustainability: The policy requires continuity of Public-Private collaboration to ensure long-term viability, resilience, and social and environmental responsibility of private sector business operations. The policy aims to ensure resilient private sector business operations that contribute to economic growth and inclusive development.

Innovation: The policy promotes creativity, technology adoption, and new business models to help Kenyan businesses adapt to global market trends and maintain competitiveness.

Partnership: This policy is premised on the principle of active partnership between the government and the private sector, and among the private sector representations and with other stakeholders for enhanced synergies strengthened coordination and enhanced collective impact.

1.6 Scope of the policy

This policy applies to both the Government and BMOs engaged in business operations / in Kenya. It covers business operations in the nation, ensuring alignment of local economic priorities with national development objectives. By establishing clear coordination mechanisms and an institutional framework, this policy ensures that the private sector operates in a cohesive, competitive, and globally recognised manner—driving inclusive economic growth and supporting the government's development agenda.

CHAPTER TWO: SITUATIONAL ANALYSIS

2.1 Introduction

This chapter documents the socioeconomic contribution of the private sector, the status of BMO, past and existing collaboration mechanisms, global best practices, synergies with existing policies and laws, opportunities and risks, and current challenges.

2.2 Socioeconomic contribution of the private sector

The private sector has evolved from an economy anchored in services, agriculture and industry to a diversified landscape encompassing sub-sectors such as ICT, logistics, e-commerce, and fintech.

This demonstrates that the private sector is a strong anchor to the economic pillar of the Kenya Vision 2030 blueprint, which aims to achieve a sustained ten per cent (10%) GDP growth by transforming key sectors outlined. The Kenya Vision 2030 seeks to increase investment to thirty-two per cent (32%) of GDP (75% of this contribution is by the private sector). To support this accelerated level of investment, the Vision 2030 envisages that gross national savings will increase from fifteen point six per cent (15.6%) in 2007 to twenty-nine per cent (29%) of GDP by 2030. About eighty-eight per cent (88%) of these savings by 2030 are expected to come from the private sector.

The Fourth Medium Term Plan (MTP IV), covering the period 2023–2027, is the current five-year implementation phase of the Vision 2030. It outlines policies, programmes, and projects to be achieved within the period, aligned with Vision 2030's goals. MTP IV focuses on economic recovery, enhancing productivity, expanding job opportunities and building resilience in sectors like agriculture, manufacturing, and healthcare. Further, to support economic transformation in line with the Vision 2030, MTP IV targets to increase investment share in GDP from nineteen point three per cent (19.3%) in 2023 to twenty-six point seven per cent (26.7%) by 2027 to support the Bottom-Up Economic Transformation Agenda (BETA) priorities. The BETA is the current government administration's economic model, integrated into MTP IV as the guiding framework for economic transformation. BETA emphasises empowering MSMEs by investing in key sectors, including agriculture, housing, healthcare, and digital infrastructure.

Through a structured PPE framework, the private sector would play an enhanced catalytic role for accelerating economic development, especially when its activities are well aligned with the Sustainable Development Goals (SDGs) to amplify its impact in all spheres of national development; socially, economically, technologically, politically and environmentally. The implementation of SDGs is premised on a robust partnership bringing together the government, the private sector and other actors like development partners and civil society as a strategy for resource mobilisation.

Contribution to GDP: The private sector contributes significantly to the economy of Kenya. This contribution is spread across all sectors of the economy, such as agriculture, manufacturing and services. Agriculture remains one of the largest contributors to GDP, and in 2024 contributed twenty-one-point eight percent (21.8%)[3] through agro-processing, value addition, and exports, making it the backbone of the economy. The manufacturing sector, particularly in food processing, building materials, textiles, and consumer goods, continues to expand despite facing infrastructural and cost-of-production challenges. Services — including financial services, ICT, hospitality, transport, and professional services — have emerged as high-growth segments, with Nairobi's status as the "Silicon Savannah" further positioning Kenya as a continental hub for innovation.

Employment Generation: The private sector is the country's single largest employer, responsible for most jobs in both the formal and informal economy. In rural areas, smallholder agriculture and agribusiness are the mainstay of livelihoods, while in urban centres, services, light manufacturing, wholesale and retail, and transport and logistics dominate. Further, the sector generates millions of indirect jobs within the supply chains from input suppliers in agriculture to transporters, distributors, and service providers in manufacturing and trade, among others.

[3] Economic Survey,2025

Investments: Private investments are the primary engine of Kenya's capital formation through re-investment in plant, machinery, technology, and skills development by local investors. Foreign Direct Investment (FDI), on the other hand, brings not only capital but also technology transfer, managerial expertise, and integration into global value chains.

Private investment has been instrumental in modernising infrastructure through Public–Private Partnerships (PPPs), particularly in energy generation, transport corridors, and telecommunications. The FDI flows into Kenya mainly target diverse sectors, including renewable energy, ICT, infrastructure, agribusiness, and real estate. Such investments strengthen the economy's productive base and improve competitiveness.

Tax Revenue: The private sector is the leading source of tax revenue, including income tax, value-added tax (VAT), excise duties, and import and export-related levies. These resources finance public services, infrastructure development, and social programs. In addition, businesses collect and remit statutory deductions such as the Housing Levy, Social Health Insurance Fund, and National Social Security Fund (NSSF) contributions.

Contribution to Exports: Kenya's export economy is mainly powered by agricultural exports, including tea, coffee, cut flowers, and horticultural produce, which are private-sector-driven. Manufacturing exports, notably in processed foods, steel, chemicals, plastics, and textiles, also play a growing role. Exports are also driven by tradable services, including legal, engineering, accounting, Health, tourism, creative economy, the ICT sector, among others. Participation in regional and international trade agreements, such as the African Continental Free Trade Area (AfCFTA) and the East African Community (EAC) Common Market, Kenya-United Arab Emirates Comprehensive Economic Partnership Agreement (CEPA), Kenya-UK Economic Partnership Agreement (EPA), Kenya -European Union EPA, Common Market for Eastern and Southern Africa (COMESA)offers expanded opportunities for Kenyan private businesses to access new markets. To maximise these opportunities, the private sector requires effective policy support, trade facilitation, and advocacy.

Innovation and technology adoption: Kenya's private sector has been a continental leader in innovation. The development and scaling of mobile money, M-Pesa and fintech have enhanced financial inclusion, while advances in agritech, renewable energy, logistics, and e-commerce are reshaping productivity and service delivery. These innovations often emerge from the dynamism of MSMEs and startups, supported by an expanding ecosystem of incubators, accelerators, and investment funds that enhance productivity, create new business models, and strengthen global competitiveness.

2.3 Status of Business Membership Organizations

Kenya has diverse BMOs with key functions being policy advocacy and business development services, such as capacity building and market access support. However, there is no centralized database of BMOs in the country. BMOs are registered in Kenya under the Companies Act (Cap 486), Societies Act (Cap 108), Cooperatives Societies Act (Cap 490) and the Labour Relations Act (Cap 233).

The BMOs provide a mechanism through which the government engages the private sector on business environment issues like taxation, cost of electricity, transport and logistics, cost of credit, market access, among others. The private sector, however, lacks a unified voice in engaging the government on policy and legislative advocacy.

2.4 Past and Existing Public-Private Engagement Mechanisms

Kenya has over time undertaken several initiatives to strengthen collaboration between the public and private sectors in support of national development priorities:

National Economic and Social Council (NESC): The government created the National Economic and Social Council (NESC) through a Gazette Notice on 24th September 2004. It is an advisory unit charged with providing timely, accurate and independent economic and social advice to improve the management of the economy. It is chaired by the President or Minister for Finance in his absence. The Council members, who include the private sector, have expertise, experience, and distinguished service in diverse fields. In addition, the council has three international experts who bring in international expertise. The role of NESC is to advise on policies required to accelerate the economic and social development of the country. However, it has recently not been active, though plans are underway to revive it.

Presidential Round Table (PRT): Several *ad hoc* Presidential Round Table (PRT) forums were held during the period 2013 to 2022, complemented by sector-specific PRT sessions. Notable examples include the Manufacturing Sector Roundtable held on 28th May, 2016, and the Forestry and Climate Action Roundtable convened on 27th May, 2022. The National Development Implementation and Communication Committee, together with the Presidential Delivery Unit (PDU), played a key role in facilitating engagement with the private sector. Additionally, KRA–KEPSA Tax Roundtable forums contributed to strengthening public–private collaboration.

National Investment Council (NIC): The National Investment Council (NIC), chaired by H.E. the President, has been established to spearhead investment dialogue and coordination. To date, five Presidential Round Tables (PRTs) have been convened, alongside several sector-specific forums covering key areas such as manufacturing and trade. Notably, the Kenya Association of Manufacturers (KAM) hosted the Manufacturing 20BY30 Summit on 19th October 2022. In addition, various investment and trade dialogues have been facilitated through multiple government offices, including the Office of the Deputy President, the Office of the Prime Cabinet Secretary, the National Treasury, and the Principal Secretaries for Investment and Trade

Ministry of Investments, Trade and Industry (MITI): MITI, through the State Departments of Investment Promotion (SDIP) and Trade (SDT), has been instrumental in organizing both Presidential and Ministerial Private Sector Round Tables.

It is important to note that Executive Order No. 1 of 2025 has mandated the State Department for National Government Coordination to coordinate government engagements with the private sector through the Private Sector Round Table.

SDIP engages private sector actors in policy consultations, investment promotion missions, and business reforms. However, these engagements are often *ad hoc* and sector-specific, lacking a continuous and structured mechanism for dialogue. To strengthen collaboration, Kenya could institutionalize a PPE framework. This would provide a structured framework for coordinated advocacy, policy co-creation, and reform monitoring, ensuring sustained engagement s unification of the private sector voices and priorities, and enhanced effectiveness of investment policy implementation.

A key insight from the past and existing engagement between the government and the private sector shows that PRTs or PPEs require institutionalised, enhanced structures that are accountable, impactful and inclusive, with a unified approach for effective and efficient support to the private sector.

2.5 Global best practices

Around the world, BMOs are influential institutions representing the business community and facilitating public–private engagements. The institutional design, legal basis, and governance of these organizations vary across countries, yet each model offers lessons that can inform Kenya's quest for a more effective and inclusive mechanism to engage the private sector.

2.5.1 Turkish Model –Union of chambers and commodity exchanges of Turkey

Turkey's Union of Chambers and Commodity Exchanges (*Türkiye Odalar ve Borsalar Birliği*, TOBB) is a statutory confederation of 365 chambers of commerce, industry, maritime, and commodity exchanges, representing approximately 1.4 million companies. Established under Law No. 5590 in 1950 and reformed under Law No. 5174 in 2004, TOBB serves as the highest legal entity representing the private sector in Turkey. It operates as a public-law body with elected organs but under ministerial oversight, blending autonomy with government supervision.

TOBB's statutory duties are broad and strategically significant. They include promoting professional ethics, providing market information, issuing trade documents, supporting arbitration and mediation, conducting research, and managing capacity-building initiatives. Chambers, such as the Istanbul Chamber of Commerce, also issue certificates of origin and movement certificates. Membership is compulsory for all merchants and industrialists registered in the trade registry, ensuring nationwide coverage and unified representation.

Funding is secured through a diversified statutory revenue basket, including registration fees, annual subscriptions, documentation charges, and a percentage of each chamber's annual income remitted to TOBB. Digitization is a hallmark of the system, with shared electronic databases and e-services facilitating efficient member services. For Kenya, the TOBB model demonstrates how compulsory membership, statutory authority, and a strong national apex body can ensure coherent representation, sustainable funding, and service delivery across all business sectors.

2.5.2 Ghanaian Model – Ghana National Chamber of Commerce and Industry

Ghana's chamber movement dates to 1850, but the modern Ghana National Chamber of Commerce and Industry (GNCCI) was established in 1961 through the unification of multiple colonial-era chambers. Today, GNCCI is a voluntary membership association representing around 10,000 businesses of varying sizes and sectors, from SMEs to large corporates. While businesses are not legally obliged to join, GNCCI membership provides tangible benefits such as representation in policy dialogues, trade facilitation, and capacity-building programs.

GNCCI offers a suite of services, including endorsement of certificates of origin, issuance of letters of introduction for visas, access to business directories, trade publications, training workshops, and consultancy services in areas such as business planning and market research. Governance is anchored in a National Governing Council supported by regional councils, specialized committees, and a professional secretariat led by a Chief Executive Officer. Funding derives from membership fees, service revenue, partnerships, and project grants.

The GNCCI experience highlights the value of strong governance, nationwide representation through regional branches, and sector-specific committees that ensure members' concerns are addressed comprehensively. For Kenya, the GNCCI illustrates how a chamber can maintain influence and relevance even under a voluntary membership model, provided it delivers high-value services and effective advocacy.

2.5.3 Hybrid Models from Singapore and Egypt

Singapore International Chamber of Commerce (SICC), established in 1837, exemplifies a fully independent chamber that is internationally focused and represents a balanced mix of Singaporean and foreign-owned companies, from multinationals to startups. Its mandate spans promoting trade, protecting business interests, resolving member disputes, and harmonizing commercial practices. Governance is vested in a Board of Directors of fourteen (14) elected for three-year terms, with accountability ensured through audited accounts and transparent management. SICC's independence and global connectivity make it a vital conduit between local businesses and the international market.

2.5.4 The Federation of Egyptian Chambers of Commerce (FEDCOC), by contrast, is a statutory public-law organization with roots in 1933 legislation, updated in 2002. FEDCOC serves as the national umbrella for Egypt's local chambers, with compulsory membership for all merchants and industrialists registered in the Commercial Register. The Federation has a Board of twenty-two (22) members that oversses twenty-six (26) geographical chambers and 22 sectoral chambers. Its delegated powers include issuing certificates of origin, validating exports, ratifying commercial documents, and providing trade intelligence to the government. FEDCOC also enforces ethical conduct through disciplinary committees, supports arbitration, and organizes trade fairs. The model combines territorial organization with strong regulatory functions, ensuring broad coverage and high public accountability.

2.5.5 The Federation of the United Arab Emirates (UAE) Chambers of Commerce and Industry, is the umbrella body for all the local Chambers of Commerce across different Emirates representing the private sector in policy-making and economic development. The Federation was legally established under Federal Law No. 22 of 2000 to unify and coordinate the UAE's various Chambers of Commerce and Industry. It is a public institution (not-for-profit) with legal personality, able to own assets, enter into agreements, and carry out its mission. Under this law, the Federation can issue reports, hold arbitration, host exhibitions, and enter bilateral and multilateral economic agreements.

2.5.6 Voluntary and coordinated advocacy models – Nigeria and Bangladesh

The Nigerian Association of Chambers of Commerce, Industry, Mines and Agriculture (NACCIMA) serves as the umbrella body for city, state, and bilateral chambers, professional associations, and corporate members. Though membership is voluntary, NACCIMA is statutorily recognised by the federal government, giving it a seat at decision-making tables. Its services include policy advocacy, trade missions, business information dissemination, and export facilitation through discounted certificates of origin. Governance is member-driven, with a presidency limited to two consecutive two-year terms.

Bangladesh's Business Initiative Leading Development (BUILD) represents a unique collaborative platform jointly promoted by the country's three largest chambers. Acting as the secretariat for the government's Private Sector Development Policy Coordination Committee (PSDPCC), BUILD channels coordinated private-sector input into national reform processes. The committee, chaired by the Prime Minister's Office, addresses investment barriers, tracks reform progress, and ensures high-level accountability. This model demonstrates how fragmented private-sector voices can be unified to engage government strategically and systematically.

2.5.7 Public–Private Dialogue Frameworks – Lessons from the World Bank

The World Bank's "Charter of Good Practice" emphasizes that successful PPD platforms require a clear legal mandate, inclusive representation beyond large firms, a neutral and well-resourced secretariat, evidence-based agendas tied to policy and budget cycles, and rigorous monitoring of commitments. International case studies reinforce these principles: **Morocco's National Committee for Business Environment (CNEA)** provides a single national platform for business-climate reforms, coordinating ministries and the private sector. **Vietnam's Business Forum (VBF)** and **Rwanda's Public–Private Dialogue (RPPD)** operate as structured, government-recognised mechanisms linking private sector concerns directly to policy reforms. **The Philippines' Ease of**

Doing Business framework institutionalizes consultation through statutory instruments, embedding dialogue into regulatory processes.

Working group structures, as seen in Vietnam and Laos, allow technical issues to be addressed in depth, while high-level plenary sessions ensure political buy-in. These frameworks stress operational discipline: regular, time-bound dialogues, public reporting of outcomes, and inclusive participation that reflects the diversity of the business community.

Global experience demonstrates that the most effective PPD mechanisms share common traits: a clear legal foundation, nationwide representation, sustainable funding models, inclusive membership, strong governance, and the ability to integrate business perspectives into policymaking at all levels. Whether through a compulsory statutory model like Turkey's and Egypt's, a voluntary but service-rich model like Ghana's, or a coordinated advocacy platform like Bangladesh's BUILD, the key is structured engagement, coherent representation, and measurable outcomes.

2.5.8 Zambia Public Private Dialogue Forum (PPDF)

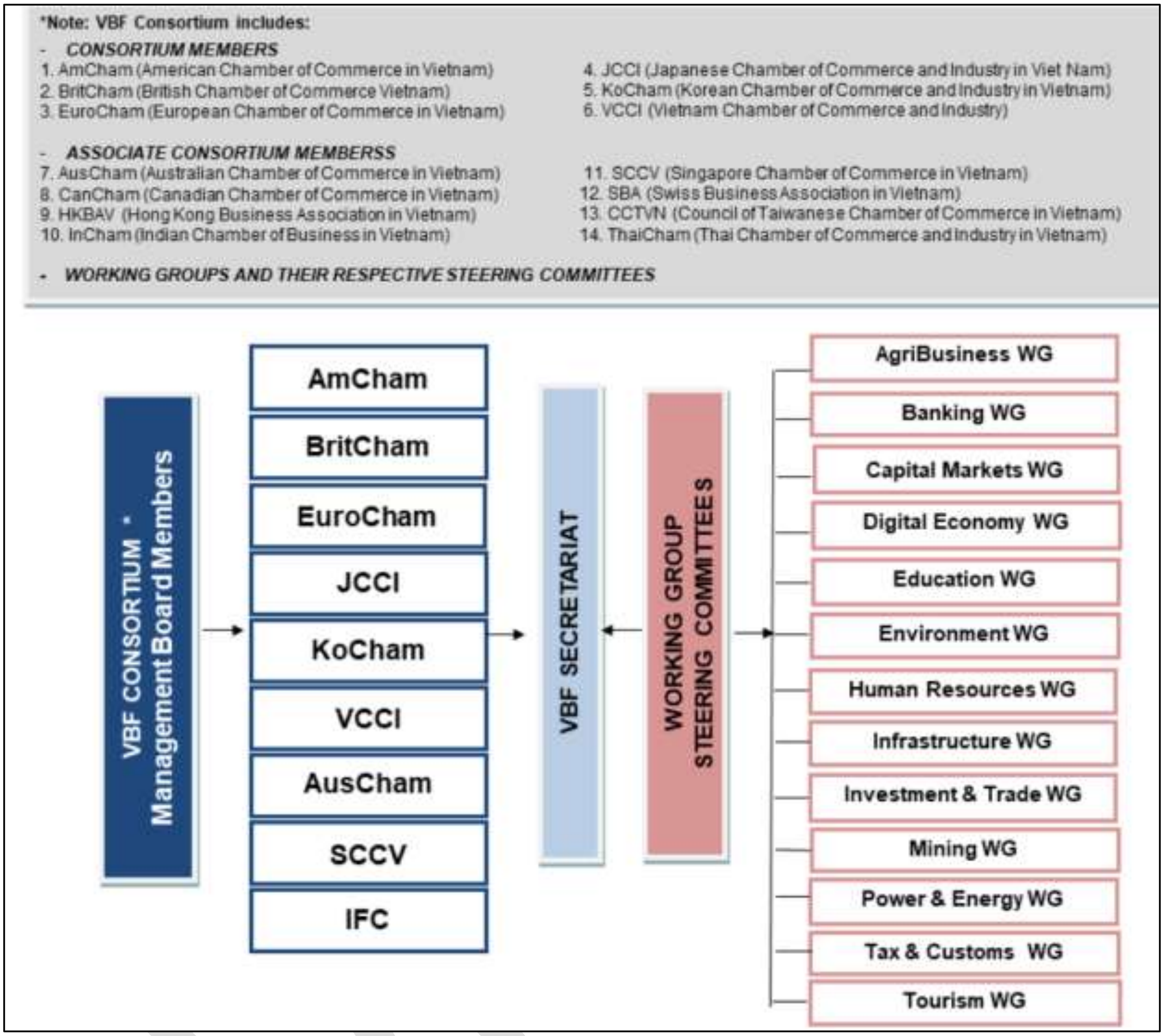
The Public Private Dialogue Forum (PPDF) in Zambia is a structured platform for engagement between the public and private sectors on policy and legislative matters. It provides a participatory and inclusive mechanism for dialogue aimed at promoting economic growth and development through public–private partnerships and expanding opportunities for the private sector. The Forum operates through an institutionalised Secretariat and sector-specific Technical Working Groups (TWGs) covering key areas such as agriculture, energy, mining, manufacturing, tourism, and ICT. The Zambia PPDF has features like high-level political endorsement; institutionalized and structured dialogue mechanism; inclusive and participatory approach; focus on binding constraints and value-chain development; monitoring, reporting and transparency; and institutionalized secretariat.

2.5.9 Vietnam Business Forum

The Vietnam Business Forum (VBF) consists of 15 business associations and chambers. The Consortium is managed by a Management Board and has established a VBF Secretariat to perform a coordination role for all VBF day-to-day activities to ensure smooth functioning of the VBF. The Ministry of Planning and Investment is mandated by the Government to serve as a focal point in coordinating government bodies in high-level policy dialogues with VBF. The bi-annual forums are co-chaired by the Minister of Planning and Investment, the World Bank's Vietnam Country Director, the International Finance Corporations (IFC's) Regional Manager for Vietnam, and the VBF Co-chairmen.

In terms of governance, the VBF Management Board comprises 8 voting members and 1 non-voting members, who are representatives from affiliating chambers/associations and the IFC. The Management Board has two Co-Chairs; one Co-Chair represents the international business community, and the other represents the domestic business community.

Figure 2.1: Vietnam Business Forum (VBF)



2.6 INSTITUTIONAL, POLICY AND LEGAL FRAMEWORK

Kenya has established various policy instruments, government and other institutions to support private sector participation in national development. Despite these efforts, engagement has at times remained fragmented, uneven across sectors, and limited by overlapping mandates.

2.6.1 Institutional framework

a) Office of the President

The Office of the President provides political leadership and endorsement for national reform initiatives that enhance the business environment and investment climate. It supports mechanisms such as the Presidential Roundtable (PRT) and High-Level Economic Dialogues, which serve as platforms for structured engagement between the government and the private sector. Additionally, the oversight of key reform programs and ensuring accountability in reform delivery.

b) Office of the Prime Cabinet Secretary

The Office of the Prime Cabinet Secretary (OPCS) plays a pivotal role in the coordination, supervision, and harmonization of government programs and policies across ministries, departments, and agencies. It ensures that the Government's development agenda is implemented in a coherent, efficient, and results-oriented manner in line with the priorities of the President and the Cabinet.

The OPCS also provides a bridge between high-level political leadership and technical implementation of reforms that influence the investment and business environment.

c) Office of the Deputy President (ODP)

It plays a strategic coordination role in advancing the Government's agenda on regulatory efficiency, investment facilitation, and ease of doing business. The ODP provides high-level political leadership and oversight in streamlining regulations that impact trade, investment, and private sector operations. Currently, it coordinates inter-ministerial and inter-agency efforts to harmonize policies, laws, and regulations affecting the business and investment climate.

d) Ministry of Investments, Trade and Industry

The Ministry of Investments, Trade and Industry (MITI) is the Government of Kenya's lead institution responsible for formulating and implementing policies, strategies, and programs that promote investment, trade, and industrialization. The Ministry plays a central role in positioning Kenya as a competitive and sustainable investment destination, a regional manufacturing hub, and a gateway to regional and global markets.

From a policy coordination perspective, MITI serves as a key player in Public-Private Dialogue engagements, working closely with BMOs. Through these engagements, the Ministry advances reforms to improve the business environment, investment climate, and industrial competitiveness in line with regional (EAC, COMESA, AfCFTA) and international commitments.

e) State Department for Investment Promotion

The State Department for Investment Promotion (SDIP) plays a coordinating and facilitative role in strengthening public–private engagement as a driver of economic transformation. Currently, the Department is responsible for organizing ad hoc Presidential Roundtable engagements with the private sector and serves as the secretariat for driving regulatory and business environment reforms. Through these mechanisms, the SDIP ensures structured, inclusive, and results-oriented dialogue between the government and private sector stakeholders, fostering a predictable, transparent, and investor-friendly policy environment that supports sustainable economic growth.

f) **State Department for National Government Co-ordination:** This State Department has the mandate of coordinating Government engagement with the private sector through the Private Sector Round Table. The State Department is also mandated to harness private sector expertise through collaboration and strategic partnerships to deliver efficient and effective delivery of the government agenda.

2.6.2 Policies

The **Kenya Vision 2030** and Fourth Medium Term Plan (MTP IV) acknowledge the role of the private sector in Kenya's development journey through the provision of investment, innovation, income activities and jobs. The Vision identifies opportunities for institutional linkages for private sector participation, opportunities for PPPs and private financing in flagship projects and service delivery. MTP IV further encourages greater participation of MSMEs in value chains.

National Investment Policy, 2019: The National Investment Policy (2019) and its accompanying Strategy provide the overarching framework for attracting, facilitating, and retaining both domestic and foreign investment in Kenya. Their mandate is to make Kenya a competitive and predictable investment destination by streamlining regulations, strengthening investor protection, and ensuring transparent incentives. The policy also emphasizes creating a level playing field for both local and foreign investors, while encouraging investment in priority sectors such as manufacturing, agriculture, ICT, and infrastructure.

For businesses, the policy provides clarity on the investment climate, reduces risks, and improves access to incentives and facilitation services. For BMOs, it creates structured engagement platforms with government agencies such as the Kenya Investment Authority (KenInvest), allowing them to articulate the challenges their members face, advocate for reforms, and participate in shaping investment promotion strategies. In doing so, it aligns private-sector voices with national investment priorities, thereby fostering a supportive business environment.

National Trade Policy, 2019: The policy provides Kenya's overarching framework for attracting, facilitating, and retaining both domestic and foreign investment. It aims to create a level playing field for all investors and to promote investment in priority sectors aligned with the country's national development agenda. The policy further enhances predictability and transparency in the investment climate by clarifying procedures, reducing risks, and improving access to incentives and facilitation services. The policy also recognises freedom of associations as a way for entrenching the private sector in the trade policy and emphasises participation of key stakeholders, including the private sector, in trade policy implementation. The policy recognises the importance of aligning private sector perspectives with national trade policy and priorities, thereby strengthening collaboration, inclusivity, and the creation of a more conducive business environment.

Sessional Paper No. 9 of 2012 on the National Industrialization Policy Framework for Kenya 2012-2030: The National Industrial Policy provides a roadmap for Kenya's industrialization journey, aligning with Vision 2030 and the Bottom-Up

Economic Transformation Agenda (BETA). It seeks to promote value addition, diversification of production, technological upgrading, and sustainable manufacturing. The policy seeks to establish Kenya as an industrial hub in the region by strengthening industrial clusters, building County Aggregation and Industrial Parks (CAIPs), and promoting Public-Private partnerships.

For BMOs, the policy creates opportunities for growth by fostering access to industrial infrastructure, skills development, and financial support mechanisms. It also helps MSMEs integrate into industrial value chains.

Integrated National Export Development and Promotion Strategy, 2018: This strategy is specifically designed to enhance Kenya's export performance by diversifying export products and destinations, improving competitiveness, and ensuring value addition in goods and services. Its mandate is to reduce reliance on a few traditional exports like tea, coffee, and horticulture, and instead expand into high-value products such as manufactured goods, ICT services, and creative industries. It also focuses on building capacity for exporters to comply with international standards and certifications.

For businesses, the strategy provides market intelligence, export financing opportunities, and capacity-building programs that enhance their ability to compete in global markets. For BMOs, the strategy creates structured roles in export promotion, enabling them to organize trade missions, fairs, and market linkages on behalf of their members.

Sessional Paper No. 1 of 2025 on the Foreign Policy of the Republic of Kenya: This policy guides the country's engagement with the international community. It seeks to advance Kenya's diplomatic, economic, and security interests while promoting regional integration and global partnerships. For businesses, this creates new trade, investment opportunities and advanced industries in priority sectors that include manufacturing, tourism, technology and agriculture, through bilateral and multilateral agreements. For BMOs, it ensures their members' concerns are reflected in foreign missions and consulates transformed into economic hubs, facilitates collaboration measures, including business networks, promotes Kenyan exports, attracts foreign investors, and facilitates private-public synergies for green industrialization and sustainable growth.

Sessional Paper No. 2 of 2023 on National Tax Policy: This policy provides the framework for a fair, transparent, predictable, and efficient tax regime in Kenya. It seeks to balance the government's need for revenue with the need to create a competitive environment for businesses. It emphasizes broadening the tax base, reducing distortionary taxes, and simplifying compliance. For businesses, it reduces unpredictability and compliance burdens. For BMOs, it offers a structured platform to lobby for tax reforms, exemptions, or incentives that benefit their members and enhance competitiveness.

Sessional Paper No. 10 of 2014 on the National Environment Policy: This policy provides Kenya with a comprehensive framework for sustainable environmental management. Its mandate is to ensure a clean, safe, and healthy environment while supporting economic and social development. The policy emphasizes the principles of sustainable development, the precautionary principle, and the polluter-pays principle. It also seeks to integrate environmental considerations into all sectors of the economy—such as agriculture, industry, trade, and infrastructure—so that development does not come at the expense of environmental degradation.

For businesses, this policy provides clear guidelines on compliance with environmental standards and regulations, thereby reducing risks associated with environmental penalties or international trade restrictions. It also opens opportunities for investment in green technologies, renewable energy, sustainable agriculture, and eco-friendly production practices, which are increasingly demanded in global markets.

Sessional Paper No. 5 of 2020 on Kenya Micro and Small Enterprises Policy: The policy provides an integrated enabling business environment for the growth and development of productive MSEs in Kenya. The policy aimed to strengthen the entrepreneurial culture in the country, enhancing MSE skills and capacities, expanding market opportunities, promoting access to affordable finance and providing accessible, affordable and decent infrastructure, promoting formalization of MSEs and startups. The policy also recognises the role of MSE associations in the MSE ecosystem. However, given their capacity constraints and fragmented approach, they are often unable to effectively influence policy or deliver services to the members. The policy therefore proposes to strengthen MSE Associations by enhancing their capacity.

Sessional Paper No. 02 of 2021 on The National Agricultural Policy: provides a framework for sustainable development of the agriculture sector and transformation of crop, livestock and fisheries production for commercial and sustainable food and nutrition security. The policy recognises that there is an inadequate structured interactive farmer-government for a to address issues affecting the agricultural sector. The policy recognises that the private sector contributes to the production, distribution and consumption of agricultural products, including services such as financing, investment, insurance, marketing and trade. The private sector also includes the cooperatives industry and trade associations. A key objective of this policy is to promote private sector participation in the management and development of crops, livestock and fisheries sub-sectors. The policy calls for the promotion and establishment of a forum for consultation and collaboration with the private sector at all levels of the agricultural commodity value chains.

Sessional Paper No. 3 of 2016 National Housing Policy of Kenya: It provides a framework for the provision of adequate shelter and a healthy living environment at an affordable cost to all socio-economic groups to foster sustainable human settlements. The policy recognises that there is a shortfall in housing in urban and rural areas low private sector participation in the delivery of housing, especially low-cost housing. This is attributable to a lack of clear incentives, financing channels, or partnerships to enable the private sector to participate meaningfully in low-cost/social housing segments. The policy calls for an enabling environment in housing by forging partnerships with the County Governments, the private sector, the community and other actors at different levels.

2.6.3 Laws

Constitution of Kenya, 2010: The Constitution is the supreme law of Kenya and provides the foundation for economic rights, private enterprise, and devolution. It guarantees the right to property, freedom of association, fair competition, and consumer protection. For businesses and BMOs, the Constitution ensures a predictable legal framework, creates a devolved system that opens up county-level opportunities, and obligates public participation in policymaking—giving BMOs a direct platform to influence policies affecting trade and investment.

County Licensing (Uniform Procedures) Act, 2024: This law harmonizes business licensing at the county level by introducing a single business permit framework across all 47 counties. Its mandate is to reduce duplication, bureaucracy, and unpredictability in local business licensing. For BMOs, it addresses one of their longstanding advocacy issues—streamlining county-level regulations that previously created high costs and uncertainty for businesses.

Kenya Industrial Property Act, Cap 509: This Act governs patents, utility models, industrial designs, and technovations. It supports innovation by protecting inventors' rights and ensuring businesses can commercially benefit from their innovations. For BMOs, especially those representing manufacturers and innovators, the Act provides a framework to push for stronger intellectual property (IP) enforcement, helping their members remain competitive.

KIRDI Act, Cap 511A: This Act establishes KIRDI as a national research institution supporting industrial development. Its role is to provide research, innovation, and technology transfer to entrepreneurs and industries. For BMOs, it creates a platform for collaboration with research institutions, enabling their members—especially SMEs and manufacturers—to access affordable R&D, testing, and technical support.

Scrap Metal Act, Cap 503: The Scrap Metal Act regulates the collection, storage, transportation, and export of scrap metal. Its mandate is to curb vandalism of infrastructure while creating order in the scrap metal trade. For BMOs, particularly those in manufacturing and recycling, it ensures fair competition, formalization of the sector, and better supply chain security for raw materials.

Anti-Counterfeit Act, Cap 510: This Act establishes the Anti-Counterfeit Authority (ACA) to combat trade in counterfeit goods. It protects intellectual property rights holders and ensures that genuine businesses are not undercut by fake products. For BMOs, the Act strengthens advocacy for brand protection, consumer safety, and fair competition, safeguarding legitimate industries.

Industrial Training Act, Cap. 237: This Act establishes the National Industrial Training Authority (NITA), which oversees skills development for industry. Its mandate is to enhance workforce skills, accredit training institutions, and support apprenticeship programs. For BMOs, it ensures their members have access to skilled labour and provides opportunities for cost-sharing in training initiatives, boosting productivity and competitiveness.

Investment Promotion Act, Cap 485: This law establishes the Kenya Investment Authority (KenInvest), tasked with promoting and facilitating both local and foreign investment. It provides investor incentives, streamlines approval processes, and markets Kenya as an investment destination. For BMOs, the Act offers a structured platform for advocacy on investment climate reforms and direct support for their members seeking incentives and facilitation.

Export Processing Zones Act, Cap. 517: The EPZ Act provides for the establishment and regulation of Export Processing Zones, which offer incentives such as tax holidays, customs duty exemptions, and streamlined regulatory approvals for export-oriented businesses. For BMOs, especially those representing manufacturers and exporters, the EPZ framework provides tangible benefits to their members and enhances Kenya's competitiveness in global trade.

Special Economic Zones Act, CAP 517A: This Act establishes SEZs to diversify investment opportunities beyond manufacturing into services, logistics, and ICT. SEZs provide incentives similar to EPZs but with broader sectoral coverage. For BMOs, the SEZ framework enables advocacy for sector-specific opportunities and provides direct benefits for members seeking to expand into high-value sectors.

Weights and Measures Act, CAP 513: This Act ensures accuracy in trade by regulating weighing and measuring equipment used in commerce. It protects consumers and guarantees fairness in transactions. For BMOs, it is critical to maintain trust in markets, especially for sectors such as agriculture, retail, and exports, where measurement integrity is key.

Trading in Prohibited Goods Act Cap 519: This law prohibits and regulates trade in harmful, illegal, or restricted goods. Its mandate is to safeguard public health, national security, and fair-trade practices. For BMOs, it ensures that legitimate businesses are not undermined by illegal trade and provides a legal basis for compliance and advocacy in protecting local industries.

Standards Act Cap 496: This Act establishes the Kenya Bureau of Standards (KEBS), which develops and enforces quality standards for goods and services. Its mandate is to ensure the safety, reliability, and competitiveness of Kenyan products locally and internationally. For BMOs, it supports market access by enabling members to meet global standards, reducing trade barriers, and building consumer confidence in Kenyan products.

2.7 Opportunities and risks

2.7.1 Opportunities

Strengthening Public-Private dialogue in Kenya presents a critical opportunity to build on the private sector's strong representation and engagement with the government. The sector has the potential to unify the current multiple private-sector voices, creating a cohesive platform to effectively influence policy reforms and national development agenda. By improving coordination and governance within business membership organizations, while addressing existing funding and structural weaknesses, Kenya could unlock more inclusive and credible participation from organizations representing SMEs and the informal sector.

A well-structured engagement framework would further position Kenya to capitalize on regional and global market opportunities. Through unified advocacy, the private sector could attract more foreign direct investment, drive export competitiveness, and better align with international trade and integration agendas. Successful global models such as Turkey, Ghana, and Indonesia, where private-sector apex organization have played a pivotal role in economic transformation and industrialization, present lessons for Kenya.

2.7.2 Risks

Full unlocking of the existing opportunities will require mitigating against risks arising from fragmentation and weak institutional anchoring of Public-Private engagements. The absence of a statutory framework or a unified apex framework has resulted in numerous business associations operating in silos. This dilutes the collective voice of the private sector, diminishing its influence in public policy formulation.

2.8 Current challenges

Although the government and the private sector have been engaging, there has been no policy and institutional framework guiding a unified and structured engagement between the private sector and the government.

1. **Inadequate coordination of Public-Private engagements**: The business community lacks a single authoritative voice for policy advocacy, leading to unpredictable, limited opportunities for evidence-based policy making and interaction with government. Within government, roles and responsibilities overlap.
2. **Lack of a comprehensive legal and institutional framework**: Kenya lacks a statutory and comprehensive legal framework to facilitate Public-Private engagements.
3. **Capacity constraints:** Most business membership organizations, especially those representing MSMEs and informal enterprises, face serious capacity limitations that undermine their ability to participate effectively in dialogue and policy processes. These constraints include inadequate technical expertise for policy analysis, limited financial resources to sustain secretariats and research units, and weak institutional systems for stakeholder coordination.

CHAPTER THREE: POLICY STATEMENTS

3.1 Introduction

This Chapter outlines policy interventions to achieve the objectives of the policy. It capitalizes on the existing strengths and opportunities within the business ecosystem while proposing interventions to mitigate potential risks.

3.2 Strengthen coordination of Public-Private Engagements

The Government of Kenya recognizes that structured, transparent and predictable Public-Private Engagement is essential for inclusive economic growth, accelerated investment, efficient public service delivery and sustainable development. Effective engagement mechanisms enable private sector actors, through their representative organizations, to participate in the public policy processes, ensuring that policies are responsive to business and market realities. The business community has, however, not been effective in engaging with the public sector, thereby undermining economic development. Similarly, the public sector has not always provided clear, structured, and predictable platforms for engagement, resulting in weak alignment between policy priorities and private sector needs. The Government commits to strengthening coordination of PPE by establishing an institutional framework, structured and transparent engagement processes.

To achieve the objective of strengthening coordination of Public-Private Engagements, the Government will:

i. Establish an institutional framework for effective Public-Private Engagement

ii. Develop clear guidelines and protocols for engagement to ensure transparency, predictability, and consistency in consultations between Government agencies and BMOs

iii. Strengthen information access and facilitate efficient and effective Public-Private Engagements and interactions

3.3 Develop a legal and institutional framework to facilitate Public-Private Engagements

The government, in collaboration with the private sector, will develop a legal framework to provide for the establishment of a unified and coordinated PPEF in line with global best practice. The government will employ the following interventions:

i. Enact a law establishing the Business Council of Kenya
ii. Establish PPEF that defines scope, PPE modalities, and governance roles
iii. Provide a framework for private sector representation during negotiation, affiliation, and cooperation activities at bilateral, regional, and international fora

3.4 Strengthen the capacity of the Public-Private Engagement (PPE) framework

The Government, in collaboration with BMOs and Development Partners, recognizes the need to strengthen the institutional, technical, and operational capacity of the Public-Private Engagement (PPE) mechanism to ensure structured, inclusive, and evidence-based dialogue between the public and private sectors. To this end, the Government will strengthen the capacity of the PPE mechanism and ensure that Public-Private engagements are predictable, transparent, and effective in influencing policy formulation, regulatory reforms, and investment facilitation.

To achieve the objective of strengthening the capacity of the Public-Private engagement (PPE) mechanism, the government, BMOs and Development partners will:

i. Maintain a register of member BMOs.
ii. Establish and manage partnerships to support the PPE mechanism
iv. Conduct research and development to facilitate evidence-based Public-Private Engagements
v. Collate views of members on issues affecting businesses
vi. Facilitate Alternative Dispute Resolution (ADR) for members

CHAPTER FOUR: POLICY COORDINATION AND IMPLEMENTATION

4.1 Introduction

This Chapter details the policy coordination and implementation framework and the role of stakeholders. The stakeholders are grouped into state and non-state actors.

4.2 Policy coordination and implementation framework

The Government of Kenya in collaboration with the private sector is committed to ensuring the effective implementation of this policy. This commitment will be realized through coordinated strategies designed to promote Public-Private engagements, private sector growth, strengthen trade and investment linkages, and ensure inclusive participation of businesses across all sectors nationally and internationally.

Successful implementation will require the active participation of: National and County Governments; Development Partners; Private Sector; The institutional framework outlined in this chapter sets out the **roles, responsibilities, and coordination mechanisms** of the different actors tasked with implementing the Policy. The Ministry responsible for Investments, Industry and Trade will be the lead institution for coordinating the implementation of this Policy.

The policy will establish the Business Council of Kenya that will have the following functions:

i. Register BMOs as members of the Council;
ii. Collect and collate the views of the members of the council on formulation of issues affecting the investment climate and business operating environment;
iii. Review the issues and categorise into cross-cutting and sector specific issues;
iv. Submit and engage with the Cabinet Secretary responsible for matters relating to investments on the business issues for administrative, policy and legal interventions;
v. Offer technical support and capacity building to members of the Council on the formulation of issues affecting the investment climate and business operating environment;

vi. Organize and host the Presidential Business Roundtable twice a year;
vii. Establish and coordinate sectoral clusters for Public-Private engagements;
viii. Develop public-private frameworks and conduct Public-private engagements;
ix. Conduct research and provide consultancy services in the development of the public-private engagement framework;
x. Support knowledge management and information sharing for decision-making;
xi. Create awareness of the public-private engagement frameworks and engagements;
xii. Develop and implement Monitoring, Evaluation, Accountability and Learning (MEAL) frameworks on Public-Private Engagement initiatives and draw lessons to inform policy reforms;
xiii. Coordinate and facilitate representation of the private sector in local, regional and global forums;
xiv. Mobilize resources to support execution of the functions;
xv. Collaborate and establish strategic partnerships between the government, development partners, private sector, and equivalent institutions out of Kenya;
xvi. Develop, implement and maintain an environment, social, governance and climate risk management framework

To enhance coordination of policy advocacy initiatives and to structure PPE initiatives between the government and the private sector, the Ministry responsible for Investments, Trade and Industry will establish a PPEF where the Business Council of Kenya (BCK) will be:

i. Coordinating policy and legislative issues of interest to the private sector by bringing together all private sector business membership organization or private sector membership associations.
ii. Facilitating structured dialogue between the Government, BMOs, the private sector, and other stakeholders.
iii. Advising the government on priority policy, legislative and emerging issues affecting the private sector.

4.3 Role of stakeholders

4.3.1 State actors

Ministry responsible for Investments, Trade and Industry: Lead and coordinate implementation of the Policy; mobilize resources and align policy actions with national development priorities; strengthen the institutional capacity of the Directorate in charge of the private sector affairs; integrate with the centralized database of registered BMOs and key sector actors.

County Governments: Integrate the objectives of this policy into County Integrated Development Plans (CIDPs), County Investment Units (CIUs); and liaise with County-based BMOs to engage with local businesses; provide tailored incentives for local and foreign investors, including sector-specific investment zones.

4.3.2 Non-State actors

Private Sector Actors: drive investment, innovation, and employment creation; Participate in policy reviews and provide feedback on the business environment.

BMO: Facilitate dialogue amongst members through research, member-based surveys. committees, and roundtables, ensuring that business concerns are articulated and considered in policymaking; presenting the proposals/recommendations to the government and monitoring the implementation. BMOs also provide support to the members in terms of advocacy, technical support, and platforms for knowledge sharing. By consolidating voices across industries, sectors, and regions, BMOs enhance the credibility, access and impact of public-private engagements.

Development Partners: provide financial, technical, and capacity-building support to enhance policy delivery; support trade facilitation, market access, and value chain development initiatives.

Media: Publicize policy milestones and create public awareness of chamber activities; showcase success stories and promote the role of chambers in driving economic growth.

CHAPTER FIVE: MONITORING, EVALUATION, ACCOUNTABILITY & LEARNING

5.0 Introduction

The effective implementation of the Policy will be supported by a robust Monitoring and Evaluation (M&E) framework to ensure that the intended objectives are met, and corrective measures are taken in a timely manner.

5.1 Oversight and Coordination

The Ministry responsible for affairs relating investments, trade and industry will have the primary responsibility for monitoring the implementation of this Policy. The Ministry will utilize the **Annual Reporting Framework** to track progress, highlight achievements, and identify implementation gaps.

5.2. Periodic Evaluation

In addition to annual progress reviews, a comprehensive **evaluation shall be conducted every five (5) years** to assess the Policy's impact on Kenya's business and investment environment. This evaluation will provide evidence-based recommendations for policy refinement and adaptation to emerging economic trends.

5.3. Principles Guiding M&E

The monitoring, evaluation, and assessment of this Policy shall be underpinned by the principles of **integration and cooperation**. Accordingly, the M&E process will involve **strong partnerships** among:

- National Government Ministries, Departments and Agencies (MDAs)
- County Governments
- Private Sector actors
- Development Partners
- Informal Sector representatives
- Non-Governmental Organizations (NGOs)
- Civil Society Organizations (CSOs)

- Faith-Based Organizations (FBOs)
- Other relevant stakeholders

5.4. Institutional Framework

M&E will be undertaken within the **National Integrated Monitoring and Evaluation System (NIMES)** to ensure alignment with national development priorities. This framework will:

- Facilitate **regular consultations and feedback** among implementing agencies and stakeholders.
- Provide standardized **data collection, analysis, and reporting tools** to ensure consistency.
- Ensure that M&E findings feed directly into policy review and decision-making processes.

5.5. Feedback and Learning

A formal feedback loop will be established to ensure that lessons learned from the monitoring and evaluation process inform continuous improvement of the Policy. Stakeholder consultative forums will be convened periodically to discuss progress, share experiences, and agree on remedial measures where needed.

5.6. Reporting

The Ministry shall compile and publish an **Annual Policy Implementation Report** highlighting key achievements, challenges, and recommendations for the next implementation period. The five-year evaluation report will be tabled before relevant government and private sector forums to inform policy adjustments.

5.7 Review

The policy will be reviewed after ten (10) years of implementation. However, the policy can be reviewed earlier in the event of emerging situations.

APPENDIX I: Implementation matrix

Policy Statements	Interventions	Activities	Indicators	Responsibility
Strengthen coordination of Public-Private engagements (Group 1)	Establish an institutional framework for effective Public-Private engagement	Develop legal instruments	Legal instruments developed	MITI AG Private sector
		Create sector clusters	Number of functional sector clusters established	MITI Private sector
		Undertake mapping and documentation of existing BMOS	No. of BMOS mapped	MITI Private sector
		Establish a repository for outcomes and commitments	Repository established	MITI Private sector
		Capacity building to institutionalise the framework	Capacity building program developed	MITI Development partners Private sector
	Develop clear guidelines and protocols for engagement to ensure transparency, predictability, and	Develop Public–Private Dialogue (PPD) governance charter	Charter developed	MITI Private sector

Policy Statements	Interventions	Activities	Indicators	Responsibility
	consistency in consultations between Government agencies and BMOs	Establish formal protocols and guidelines for agenda setting, consultations, evidence sharing, and feedback loops	No. of protocols and guidelines developed No of consultations following developed	MITI Private sector
		Establish measurable KPIs and continuous learning mechanisms to improve PPE outcomes	Number of PPE KPI dashboards and measurement frameworks developed and adopted	MITI Private sector
	Strengthen information access and facilitate efficient and effective public private engagements and interactions	Develop relevant digital engagement tools, such as interactive digital portals and policy input tool	Number of digital engagement tools developed and launched	MITI Private sector
		Develop MERL frameworks for PPE	MERL framework develop	MITI Private sector Academia

Policy Statements	Interventions	Activities	Indicators	Responsibility
			No. of M&E Activities conducted	Non-state Actors
		Continuous System Upgrades and API integration with relevant existing digital platforms	No. of system upgrades performed No. of Integrations performed	MITI Development partners Private sector Academia Non-state actors
Develop a legal and institutional framework to guide	Enact a law establishing Business Council of **Kenya** with clear mandate,	Prepare and submit a Sessional Paper on the Business Council of **Kenya**	Sessional Paper Document	MITI

Public-Private engagements	functions, and governance structure	Draft legislation outlining the mandate, functions, and governance structure of the Business Council of Kenya Conduct stakeholder consultations and public participation on the draft Business Council of Kenya Bill Incorporate stakeholder inputs into the draft Business Council of Kenya Bill Prepare and submit a Cabinet Memo forwarding the final draft Business Council of Kenya Bill	Draft Business Council of Kenya Bill Revised draft Business Council of Kenya Bill Final draft Business Council of Kenya Bill Cabinet Memo on final draft Business Council of Kenya Bill	MITI AG Private Sector Associations
	Establish PPEF that defines scope, PPE modalities, and governance roles	Draft legislation to institutionalize the PPEF framework	Draft Business Council of Kenya Bill	MITI BCK AG Private Sector Associations
		Map out all existing business membership organizations and other relevant stakeholders	• Annual report on BMOs and other relevant	

			Private Sector stakeholders	
		Launch the Business Council of Kenya	Attendance registers	
		Membership recruitment drive	Membership applications	
		Roll out Public-Private Engagement forums in collaboration with relevant stakeholders	• Minutes of the Public-Private Presidential Roundtables • Minutes of Ministerial Stakeholder Forums • Reports of PPE fora	
	Provide a framework for bilateral, regional, and international representation, negotiation, affiliation, and cooperation	Prepare criteria guidelines on selection of Private Sector representatives to various institutions and business fora	Selection criteria guidelines	Business Council of Kenya
		Negotiate and subscribe to other private sector international umbrella institutions	Membership certificates MOUs Signed agreements	

		Develop partnerships instruments with other private sector international umbrella institutions	MOUs Signed agreements	
Strengthen capacity of the Public-Private engagement framework	Develop a central repository of business membership organizations in Kenya	Map and categorize existing business membership organizations (BMOs) by sector and region	Central repository operational	OPCS; Ministry of Investments, Trade and Industry (MITI); Business Council of Kenya
		Create and operationalize a digital database integrated with relevant institutions	Digital database integrated with relevant institutions developed and operationalized	
	Mobilize resources for institutionalization of PPEF	Conduct a financial needs assessment for the umbrella body (BCK)	Financial needs assessment for the BCK conducted	OPCS; MITI; National Treasury; Development Partners; Business Council of Kenya
		Develop and implement a resource mobilization strategy	Resource mobilization strategy developed and implemented	
	Establish and manage partnerships to support the PPE mechanism	Develop a partnerships engagement strategy	Partnerships engagement strategy developed	OPCS; MITI; Business Council of Kenya; Development Partners; County Governments

	Strengthen research and development to facilitate evidence-based Public-Private dialogues	Conduct research to inform policy and legislative advocacy	Research conducted	OPCS; MITI; Business Council of Kenya; Kenya Institute for Public Policy Research and Analysis (KIPPRA); Research Institutions; Private Sector Think Tanks