



**KENYA EXPORT  
PROMOTION & BRANDING  
AGENCY**

# ANNUAL REPORT 2020-2021







Savour the true  
scent of nature in  
every stem

## ACRONYMS AND ABBREVIATIONS

<b>AfCFTA</b>	African Continental Free Trade Area Agreement
<b>B2B</b>	Business to Business
<b>CEO</b>	Chief Executive Officer
<b>COMESA</b>	Common Market for Eastern and Southern Africa
<b>CRM</b>	Customer Relations Management
<b>EAC</b>	East African Community
<b>ERP</b>	Enterprise Resource Planning
<b>FPC- K</b>	Fresh Produce Consortium of Kenya
<b>FPEAK</b>	Fresh Product Association of Kenya
<b>GDP</b>	Gross Domestic Product
<b>ICT</b>	Information and communication Technology
<b>ITC</b>	International Trade Centre
<b>JETRO</b>	Japan External Trade Organization
<b>KAM</b>	Kenya Association Manufacturers
<b>KEPHIS</b>	Kenya Plant Health Inspectorate Service
<b>KEPROBA</b>	Kenya Export Promotion Branding Agency
<b>KEPSA</b>	Kenya Private Sector Alliance
<b>KEYA</b>	Kenya Exporter of the Year Awards
<b>KENTRADE</b>	Kenya Trade Network Agency
<b>KNBS</b>	Kenya National Bureau of Statistics
<b>KNCCI</b>	Kenya National Chamber of Commerce and Industry
<b>Kshs</b>	Kenya Shillings
<b>MDAs</b>	Ministries, Departments and Agencies
<b>MOITED</b>	Ministry of Industry Trade and Enterprise Development
<b>MoU</b>	Memorandum of Understanding
<b>NBMC</b>	Nation Branding Marketing Communication
<b>PMDD</b>	Product Market Development Directorate
<b>SADC</b>	Southern African Development Community
<b>SDTED</b>	State Department of Trade and Enterprise development
<b>SGR</b>	Standard Gauge Railway
<b>TFTA</b>	Tripartite Free Trade Area
<b>UAE</b>	United Arab Emirates
<b>UK</b>	United Kingdom
<b>USA</b>	United States of America
<b>USD</b>	United States Dollar
<b>WTO</b>	World Trade Organization



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CHAPTER 1

ABOUT US



The Kenya Export Promotion and Branding Agency (KEPROBA) is a State Corporation under the Ministry of Industrialization, Trade and Enterprise Development established under the State Corporations Act Cap 446 through Legal Notice No.110 of August 9<sup>th</sup>, 2019, after the merger of the Export Promotion Council and Brand Kenya Board. The Export Promotion Council was initially under the Ministry of Industrialization, Trade and Enterprise Development while Brand Kenya Board was under the Ministry of Tourism and Wildlife.

Our mandate

KEPROBA's mandate is to implement export promotion and nation branding initiatives and policies to promote Kenya's export of goods and services.

Principal Activities

KEPROBA's principal activities include:

- 1. Implementing export development and promotion activities through providing export assistance to promote Kenyan goods and services globally
- 2. Distributing trade related and export international standards information
- 3. Carrying out foreign country market research.
- 4. Manage the Kenya brand image through coordinating nation branding initiatives and trade fairs, providing branding guidelines for Kenya missions abroad, marketing and providing positive information about Kenya and its products.

Vision

To transform Kenya into a top global brand

Mission

Brand Kenya, Export Kenyan, Build Kenya

Tagline

Inspiring Global Trade

Core Values

CORE VALUES: 'PIE'CC

P

Passionately Kenyan:-  
Support the Made in Kenya initiatives, showcase the locally made apparels, Support the buy Kenya build Kenya initiative

I

Innovative:-  
Showcasing our skills creatively

E

Energetic:-  
Willingness to give it all as team

C

Collaborative:-  
The willingness to reach out to each other to create impact

C

Customer Centric:-  
The willingness to support our existing and emerging exporters.

[www.brand.ke](http://www.brand.ke)

Passionate about the Kenyan brand

Collaborative: Building impact driven team

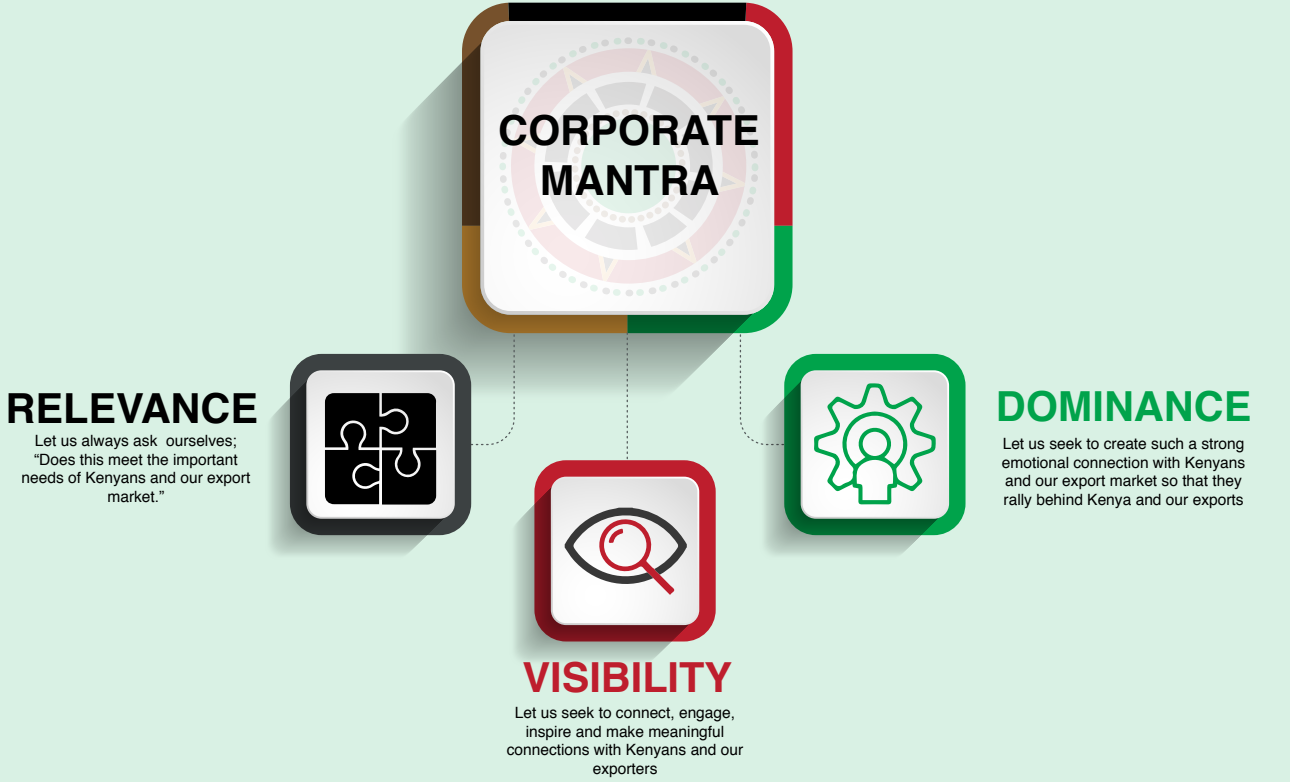
Innovative: Creativity and resilience

Customer Centric: The willingness to support our existing and emerging exporters.

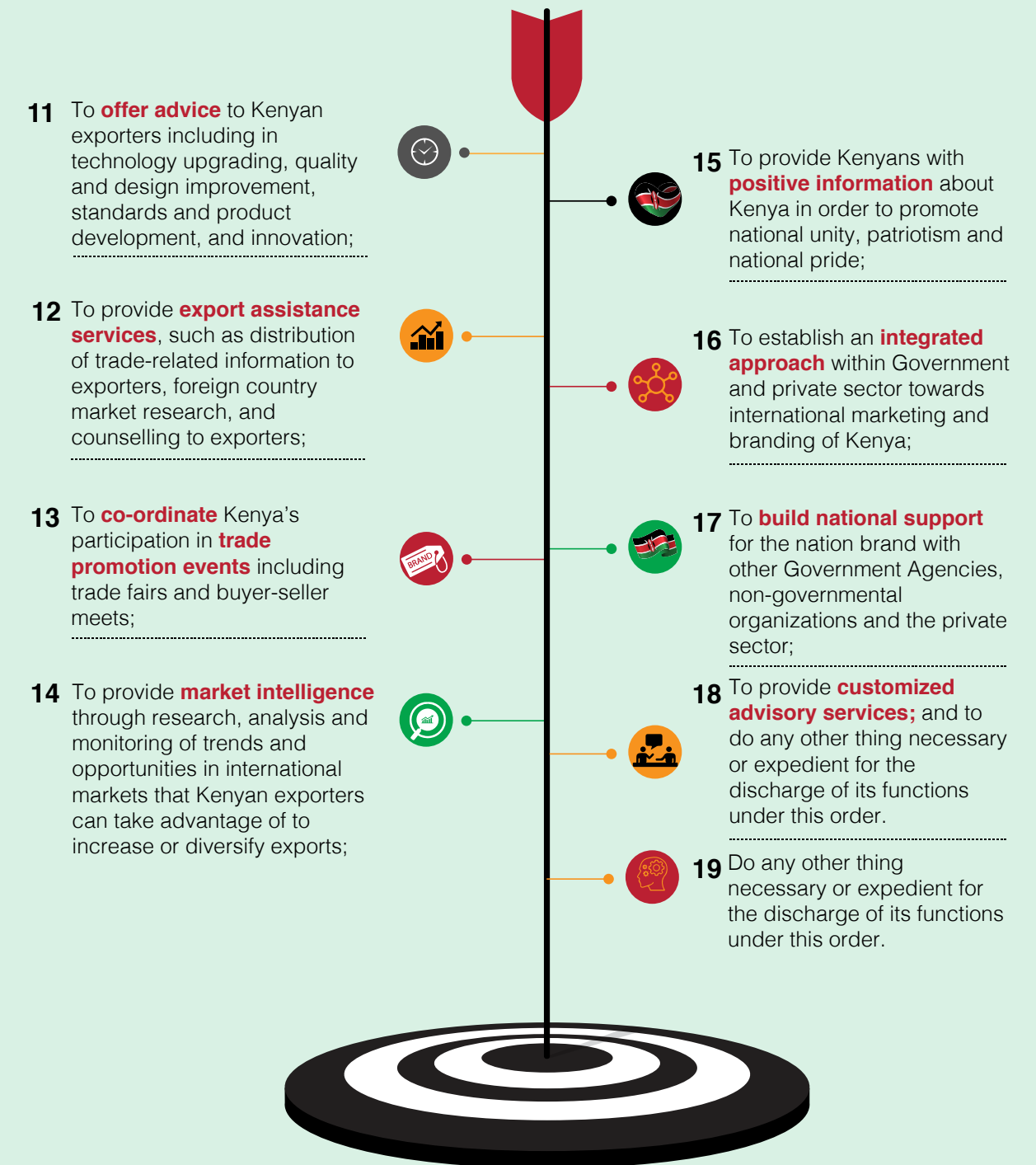
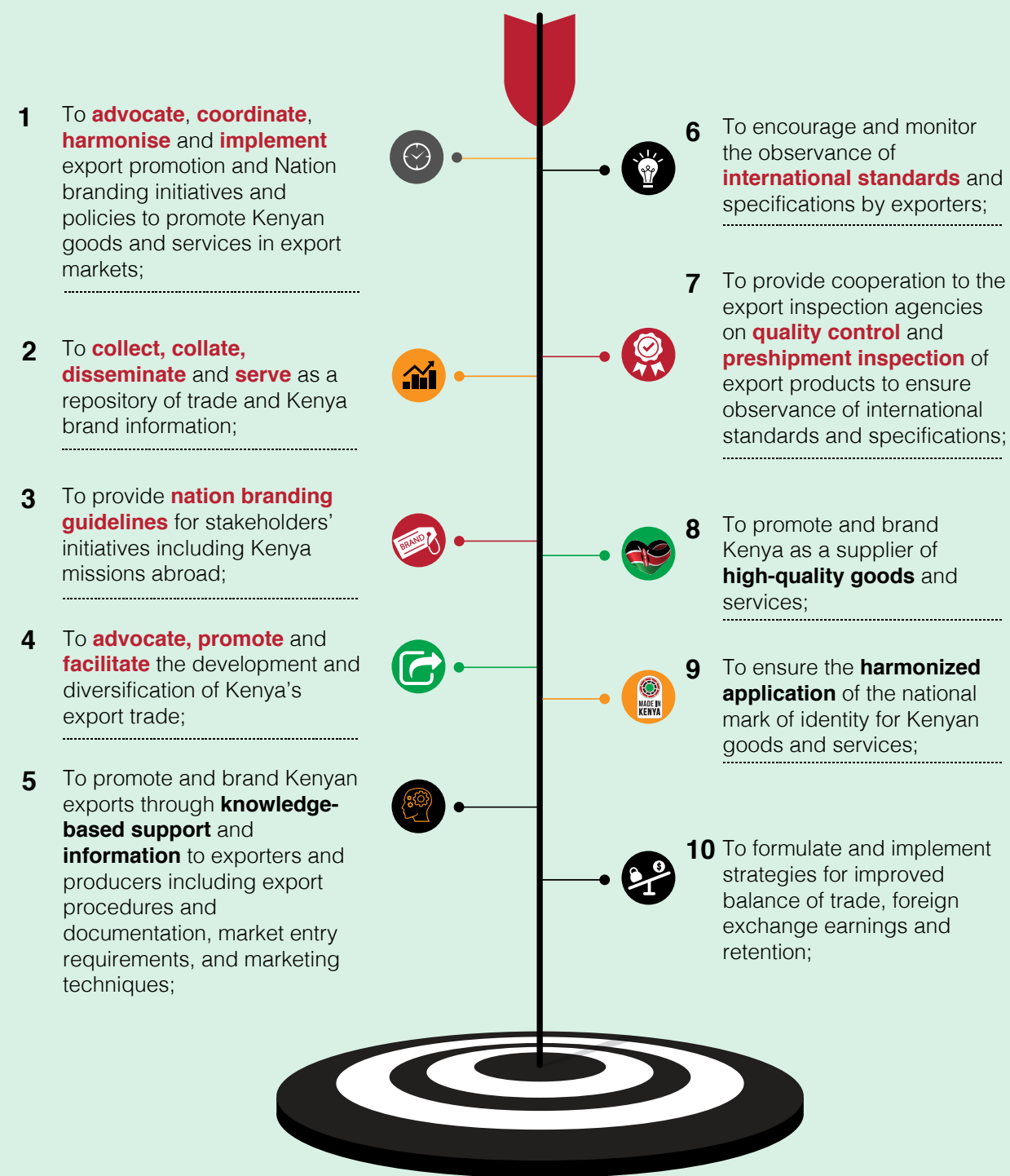
Energetic: Willingness to work as a team

Corporate Mantra

As a Marketing Agency with a huge mandate, we cannot achieve our goals if we do not collaborate and integrate our strengths as a team to build a strong corporate brand. Therefore, as an institution we derive our capacity to deliver through the REVIDO mantra.



## Agency Objectives are:



Strategic Objectives

The following strategic objectives will guide the Agency’s strategies and activities over the next 3 years.

- 1. To develop, diversify and brand Kenya’s export products
- 2. To develop and diversify Kenya’s export market
- 3. To boost the image and reputation of the Kenya Brand
- 4. To strengthen institutional capacity for the Agency to be able deliver on its mandate

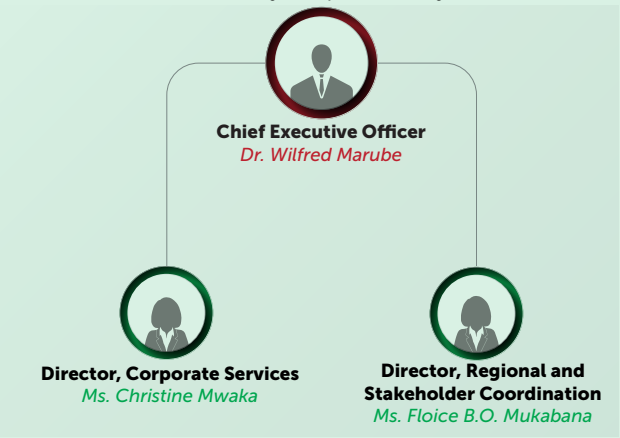
Key Management

The Agency’s day-to-day management is under the following key organs:

- ▶ Chief Executive Officer
- ▶ Directors
- ▶ Unit Managers

Fiduciary Management

The key management personnel who held office during the financial year ended 31<sup>st</sup> December 2020 and had direct fiduciary responsibility were:



(a) Separation of Powers & Duties of the Chairman and Chief Executive Officer

(i) Functions of the Board

The separation of functions between the Chairman and the CEO has ensured requisite balance of power, increased accountability, clear definition of responsibilities and improved decision making.

The functions of the Board are to:

- 1. Provide strategic advice and direction to the Agency.
- 2. Approve policies that shall facilitate the development of the Agency.
- 3. Recruit and appoint the Chief Executive Officer on such terms and conditions as the Board shall determine with the advice of the Salaries and Remuneration Commission.
- 4. Receive, on behalf of the Agency, grants-in-aid, gifts, donations, fees, subscriptions, or monies.
- 5. Administer the property and funds of the agency in such a manner and for such purpose as shall promote the functions of the agency; and
- 6. Perform such other functions as may be incidental to the foregoing

(ii) Functions of the Chief Executive Officer

The functions of the Chief Executive Officer include:

- 1. The day-to-day operations of the Agency
- 2. Supervision, management, and discipline of the staff of the agency
- 3. Executing the policies of the Board in respect of the mandate of the Agency; and

- 4. Performing any other functions as may assigned to him or her by the board from time to time

(b) Fiduciary Oversight Arrangements

Strategy, Marketing, Communication and Quality Assurance Committee

The Committee is responsible for advising the Board on Nation Branding, Development, Promotion and diversification of export goods, services and markets and facilitating development of export-oriented enterprises.

No.	Strategy, Marketing, Communication and Quality Assurance Committee	Remarks
1.	Ms. Kathleen Kihanya	Chairperson
2.	Ms. Jacqueline Muga	Member
3.	Mr. Mark Bichachi	Member
4.	Mr. Charles Minjire	Member
5.	Mr. Oliver Konje	Member
6.	Dr. Wilfred Marube	Member

Finance, Human Resource and Administration Committee

The Committee is responsible for advising the Board on financial reporting processes, the system of internal control, compliance to policies and procedures, budgeting of the Agency’s activities and programmes and ensuring sustainability of the Agency.

The committee is also responsible for assisting the Board in discharging its duty in overseeing the

establishment of appropriate administrative and human resources policies and procedures.

No.	Finance, Human Resource and Administration Committee	Remarks
1.	Ms. Jacqueline Muga	Chairperson
2.	Ms. Kathleen Kihanya	Member
3.	Mr. Oliver Konje	Member
4.	Ms. Leah Baraza	Member
5.	Mr. Charles Minjire	Member
6.	Dr. Wilfred Marube	Member

Audit and Governance Committee

The Committee is responsible for assisting the Board and Management in fulfilling its oversight role in financial reporting processes, systems of internal control, internal audit process, risk management and monitoring compliance with laws, regulations, and the code of conduct.

No.	Audit and Governance Committee	Remarks
1.	Mr. Mark Bichachi	Chairperson
2.	Ms. Kathleen Kihanya	Member
3.	Mr. Oliver Konje	Member
4.	Ms. Leah Aywah Baraza	Member
5.	Mr. Charles Minjire	Member



MARKETS SERVED

Brief Of Trade Advisory Services For July 2020 To June 2021

Trade Advisory Services (TAS) is one of the departments under the Resource Centre Directorate. As part of its strategy to improve its service delivery, the department is to continuously develop monitoring and evaluation report on the nature of enquiries. Below is a summary of how clients were provided with Business Counselling for the financial year July 2020 – June 2021

Over the period under review, TAS attended to 379 clients with more than half of the clients being attended to virtually due to COVID 19 measures. Most of the clients that were attended were new clients. From the nature of inquiries, a good number of clients who came in as new wanted to know how to get involved in export business. This included business registration, licensing and products.

The enquiries over the period included Horticulture, tea, coffee, Meat and meat products, Handicrafts and services.

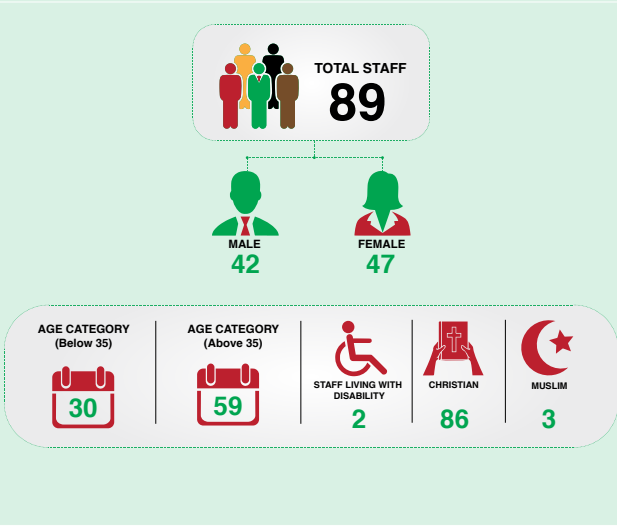
Summary on number of clients

Month	Total
July 2020 – September 2020	72
October 2020 – December 2020	107
January 2021 – March 2021	118
April 2021 – June 2021	82
Total	379

Markets served

No	Market/Country	No of enquiries
1.	United States of America	182
2.	European Union	
	United Kingdom	91
	Netherlands	30
	Germany	18
3.	Middle East	
	United Arab Emirates	12
	Oman	7
	Qatar	4
5.	Africa	
	Tanzania	10
	Democratic Republic of Congo	12
	Uganda	5
	South Sudan	3
	Nigeria	3
	Egypt	2
TOTAL		379

HUMAN CAPITAL – (Human Resource Department)



Headquarters

Kenya Export Promotion and Branding Agency  
Anniversary Towers 16<sup>th</sup> & 1<sup>st</sup> Floor  
University Way  
P. O. Box 40247 – 00100  
Nairobi, Kenya  
Contacts  
Tel: +254-20-2228534-8  
Office Mobile: +254-722-205875, +254-734-228534  
Fax: +254 -20-2228539/  
Email: chiefexe@brand.ke

Kenya Export Promotion and Branding Agency  
NHIF Building 4<sup>th</sup> Floor.  
Ragati Road / Upper Hill  
P. O. Box 40247 – 00100  
Nairobi, Kenya  
Contacts  
Tel: +254-20-2715236/7  
Office Mobile: +254-702-164100  
Email: chiefexe@brand.ke

Entity Bankers

Kenya Commercial Bank Limited  
University Way Branch  
P.O. Box 7206 - 00100  
Nairobi

Housing Finance Limited

Rehani House  
P.O. Box 20691 - 00100  
Nairobi

Independent Auditors

Auditor General  
Kenya National Audit Office  
Anniversary Towers, University Way  
P.O. Box 30084  
GOP 00100  
Nairobi, Kenya

Principal Legal Adviser

The Attorney General  
State Law Office  
Harambee Avenue  
P.O. Box 40112  
City Square 00200  
Nairobi, Kenya



## CHAIRMAN'S STATEMENT



**Mr. Jaswinder Bedi – EBS, MBS  
Chairman**  
Kenya Export Promotion and Branding  
Agency

Kenya has had a relatively stable export sector. The global economy performance in the past decade (2011 to 2020) has been rather volatile, it has increasingly become competitive with markets adopting cautious approaches to engagements on trade.

Markets have become more protective, and, in many ways, these have conditioned Kenya's responses in matters appertaining to export development. The volatility of the global business environment has had an impact on the export performance both at the regional as well as at the national levels.

The goods merchandise category has been hard hit manifestly in the areas of production, consumption, supply chains, trade, industry, investment, and distribution, among key sectors.

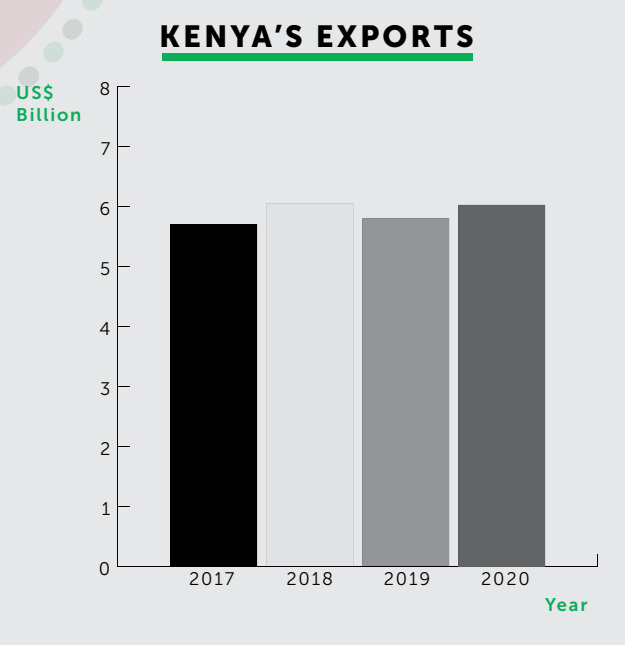
In the last decade Kenya's exports have had mixed performance even though exports have been growing their frequent year on year cycles that are prominent. The global export has been growing and increased from US\$ 5billion in 2008 to US\$6.1billion in 2014 before declining to US\$5.9billion, US\$5.7billion in 2015 and 2016 respectively. The exports then witnessed a slight increase to US\$5.7billion and US\$6.05billion in 2017 and 2018. The exports slightly underperformed from the 2018 exports figures reducing to US\$5.8billion (Kshs. 594 billion) in 2019, this experienced a rebound to US\$6.02billion (ksh.642 billion) in 2020.

Africa and EU have been the leading trading blocs and bedrock markets recording and are likely to continue as the lead for Kenya's exports.

# CHAPTER 2

THE YEAR THAT HAS BEEN





**Export markets in the last five years in US\$ Billion**

The markets that contributed to Kenya's export performance were Africa including COMESA and the East African Community markets that typically absorb Kenya's exports of manufactured goods as well as services.

Kenya's export to COMESA during the same period declined from US\$ 1.6b in 2013 to US\$ 1.4b during the same period while its imports increased from US\$ 0.7b in 2013 to US\$ 1.1b in 2017. Intra-COMESA exports grew by 6.45% from US\$ 6.2 billion in 2016 to US\$6.6 billion in 2017, US\$7.8 billion in 2019 and US\$7.5 billion in 2020.

The value of intra-EAC exports increased from US\$2.1 billion in 2008 to US\$2.7 billion in 2013 before declining to US\$2.4 billion in 2017. While this stood at US\$2.6 billion in 2018, US\$3 billion in 2019 and US\$3 billion in 2020.

In the past decade, several developments have emerged that will continue shaping Kenya's export performance.

- ▶ Kenya concluded the transitional arrangements with the European Union to continue exporting under the preferential terms within the European Union (EU)-Africa Caribbean and Pacific (ACP) thus allowing continuation of exports of Kenyan products
- ▶ The United Kingdom managed to break out of the European Union and in effect trade relations between Kenya and the United Kingdom emerged distinctly from the European Union.
- ▶ The African Continental Free Trade Area (AfCFTA) Integration processes have gained momentum with the Creation of the African Continental Free Trade Area.
- ▶ The impact of the COVID-19 outbreak on international trade has, from April 10, 2020 been extreme on Kenya's exports. From most trade data the impact has been disruptive to production and markets and indicators pointing at severe impacts of the pandemic and further consequences on economic slowdown. Marked against all predictions, the impacts have been leaning towards extreme outcomes and impact on services; financial services; air transport services, road and rail transport; shipping, port services have been impacted while; tourism has been completely crippled.

**Way forward beyond 2021**

The current scenario is continuously complicated by the Covid -19 situation, and we are anticipating a more erratic situation in the future that is likely to deepen the troughs in export performance.

The Kenyan economy has been resilient and withstood the many challenges arising from both

the global environment, the markets as well as the COVID-19 associated disruptions. We are paying specific attention so that the impact does not go beyond what we have already experienced. KEPROBA has engaged on stabilising the trade relations with her major markets, both as regions and as differentiated markets within economic blocks.

The European Union (EU) market though a "single market" has peculiarities and hence will require distinct approaches to discern the dynamics in individual member states' markets of interest.

African Continental Free Trade Area Market is emerging as a new market frontier, and will provide interesting opportunities for the future developments.

The lock down in the global marketplace and the relatively disorganised export base has produced a mix that requires specific attention.

The Agency is facilitating product development and engagements with producers and government agencies to stabilise the supply base as well as associated challenges in the different markets. We have invested heavily in developing various platforms where exporters can leverage on to enhance visibility of their products in the global market and further generate revenue. We are currently developing the E-portal, which is a game changer for us in ensuring that we leverage on and adopt to use e-commerce platforms to diversify markets. Completed, the E-portal will provide the following benefits to the exporters.

The Agency is also leveraging on existing E-commerce sites like Alibaba, Jumia and JD.com to enable Kenya to penetrate untapped markets, link new buyers to Kenyan made products while also giving ample space for research on Kenyan products, and online purchases from buyers in different countries. The exploitation of digital space will increase awareness and penetration of Kenyan

products hence increasing the target market share much to the benefit of Kenyan exporters.

**BENEFITS OF THE E-PORTAL**

**01**

Provide a platform where exporters/sellers can showcase their products internationally.

**02**

Provide customized market intelligence information to potential exporters for purposes of improving their products.

**03**

To promote Kenya's exports and the nation brand through information dissemination and export assistance.

**04**

To inform, educate and inspire our internal and external audiences about Kenya and what it has to offer globally to influence trade, investments, and positive national perspective.

As an agency we are committed to empowering our exporters to ensure that they thrive while the country brand benefits from the increased GDP. We look forward to a progressive economic growth that is driven by our manufacturing sectors and exports.

**Mr. Jaswinder Bedi – EBS, MBS**

**Chairman**



# CEO'S STATEMENT



**Dr. Wilfred Marube**  
Chief Executive Officer  
*Kenya Export Promotion and Branding Agency*

Kenya is looking to attract new investors and expand its export market during the World Expo Dubai 2020 that will run for six months from October 2021 to April 2022.

## Kenya Export Promotion and Branding Agency

It has been another challenging year for exporters to navigate through the pandemic and hit global markets with our products. I congratulate the entire KEPROBA team for offering support to exporters. Thanks to your efforts, exports have grown. In 2020, total exports grew by 7.8% to Kshs. 642 billion compared to Kshs. 595 billion in 2019.

In the same year, Kenya's exports grew in South Sudan, the United Kingdom, Pakistan, Uganda, and Germany. Efforts have also been made to further increase access to markets by hosting high-level business forums with Estonia, the United Kingdom, Tanzania, and Burundi. Africa and the European Union have been the leading trading blocs and bedrock markets and are likely to continue as the lead markets for Kenya's exports.

Kenya is looking to attract new investors and expand its export market during the World Expo Dubai 2020 that will run for six months from October 2021 to April 2022. As the Responsible National Authority, we have ensured that the best of Kenya's trade, tourism and investment opportunities will be displayed during the expo, which is expected to attract 24 million visitors.

We continue to direct our efforts towards increasing the quality of locally produced goods to match international standards. This is through our Made in Kenya Initiative as well as the Agency's Product Development and Branding Programme, which is an integrated programme aimed at enhancing the competitiveness of export products through quality product development and value addition to help enlarge Kenya's supply base of exportable products.

“ We shall intensify our efforts to diversify export markets and seek out new investment and export opportunities for the benefit of the country. ”

Selected enterprises and groups are facilitated to improve the quality of their products, packaging, expand their product range as well as meet regional and international market standards.

We recognize that we must integrate our corporate values and services to improve Kenya's image and meet the expectations of stakeholders. Through our stakeholder engagement activities, we have been able to identify areas of collaboration that give back to society. This past year, we partnered with Kenya Forest Service to plant two thousand trees to protect the ecosystem that enables our key export products to thrive.

We are operating in a challenging environment that can be attributed to the disruptions caused by the Covid-19 pandemic. Global supply chains have been disrupted, thus affecting the flow of our exports. However, this new operating environment has presented us with an opportunity to utilize digital platforms. We have successfully participated in virtual fairs and exhibitions such as the Macfrut Digital Fair and Expo Central China 2021. We have also promoted locally-produced goods on digital platforms such as Alibaba, TradeIn.com, Dubuy, among others, all aimed at ensuring that our products reach wider markets globally.

As an Agency, we continue to invest in technology to effectively deliver on our mandate. For instance, the Agency's e-portal platform is under development. The platform will enable buyers and sellers to interact and transact online.

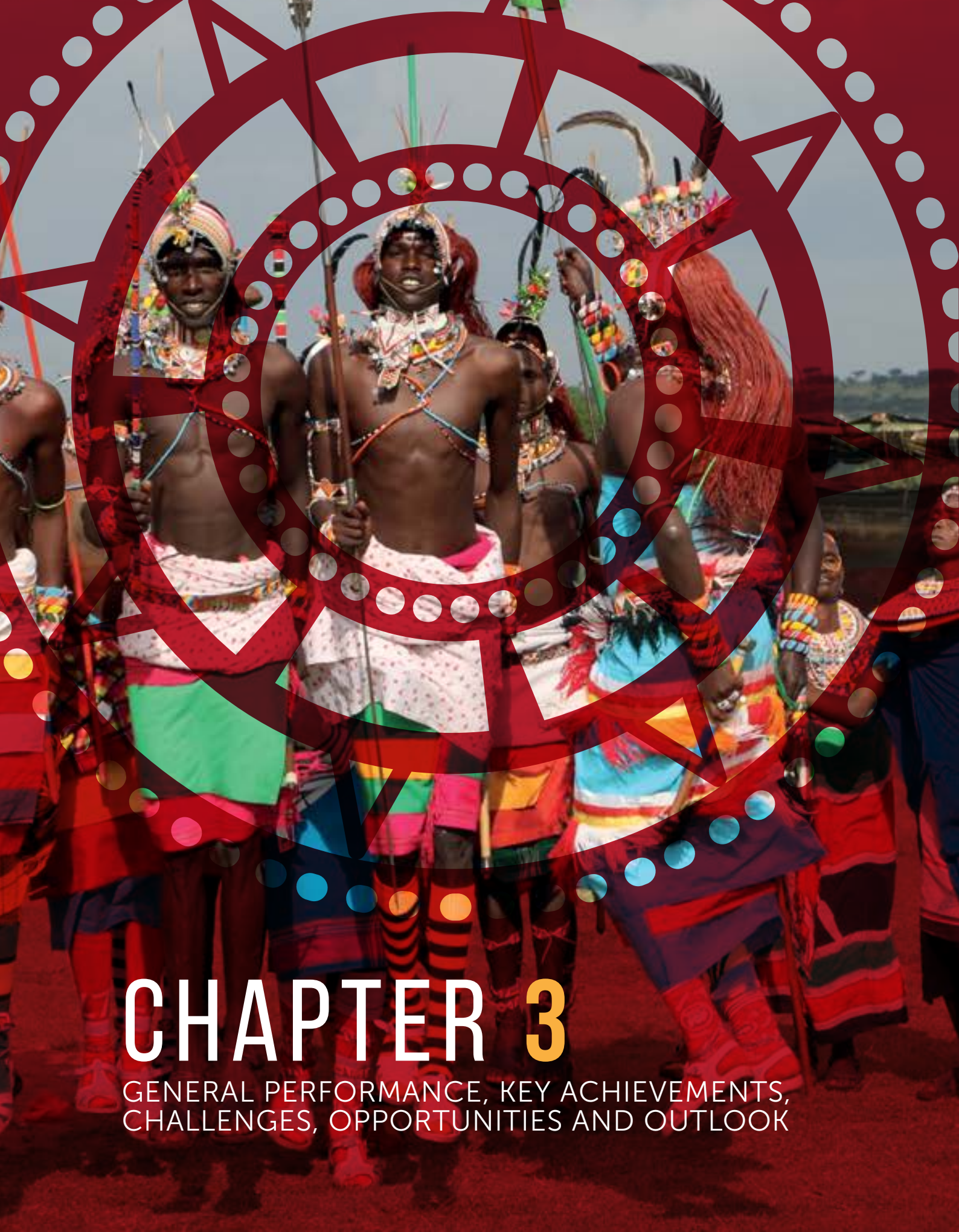
The health and well-being of staff is a top priority for the organization. To counter the threat posed by Covid-19, we partnered with our healthcare provider to vaccinate all staff. In addition, we have successfully implemented remote working to safeguard the health of our staff and still offer quality services to our stakeholders.

Looking ahead, we shall intensify our efforts to diversify export markets and seek out new investment and export opportunities for the benefit of the country. We shall continually innovate our operations to adapt to the dynamic operating environment. This shall be achieved by remaining customer-centric, collaborative and passionately Kenyan.

Dr. Wilfred Marube

**Chief Executive Officer**





# CHAPTER 3

GENERAL PERFORMANCE, KEY ACHIEVEMENTS, CHALLENGES, OPPORTUNITIES AND OUTLOOK

☑ **Export Performance 2020/2021**

Kenya’s economy has been strongly dependent on domestic consumption which accounts to about 75 percent of Gross Domestic Product (GDP). Kenya’s economy has been unable to maintain a favourable balance of trade while addressing the problems of chronic poverty and growing unemployment. Kenya’s top four exports do not earn enough to pay for oil imports not to mention other imports. The country’s ability to industrialize has been hampered by, among other factors, limited domestic purchasing power, shrinking government budgets, increased external and internal debt, and poor infrastructure.

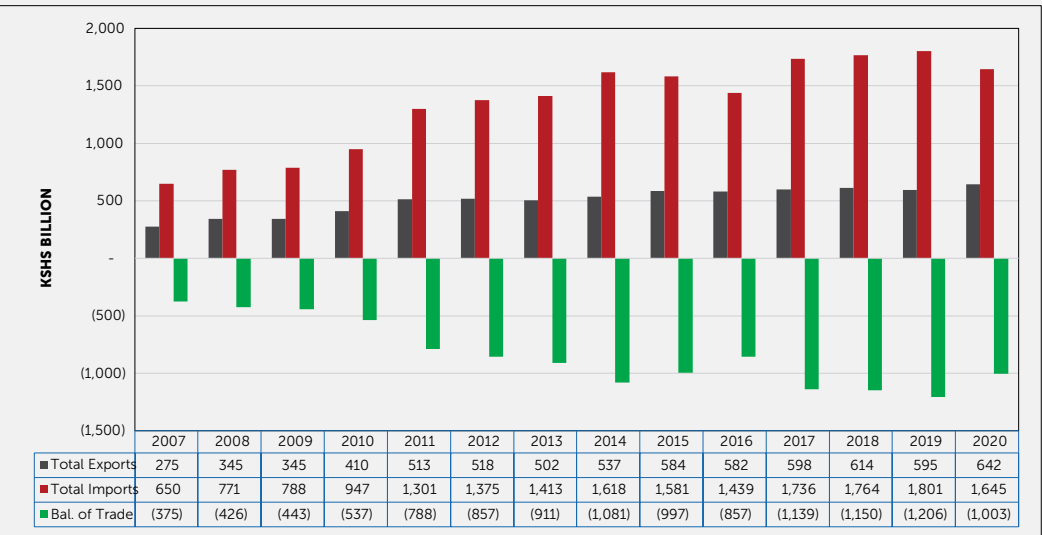
In an effort to decrease its dependence on volatile agricultural products and markets, Kenya attempted to diversify its exports into among others export of manufactured goods such as vehicles. This is towards implementation of the Country’s Big 4 agenda that targets a 15% contribution of the manufacturing sector to GDP by the year 2022 which demands that 60% of the manufactured products should be

exported to achieve this target.

The emergence of Covid-19 presented unprecedented negative and positive phenomena to the world trade arena. The lock down introduced as a measure to control spread of the pandemic disrupted physical movement of people and rendered logistics chain for goods and services complicated.

In 2020, Kenya’s total exports grew in value by 7.8% to Kshs 642 billion from Kshs 595 billion in 2019. Kenya’s exports of Merchandise accounted for 0.03% of World’s total exports in 2020. On the other hand, Kenya’s imports decreased by 8.7% from 1.81 trillion in 2019 to Kshs 1.65 trillion in 2020 down. Kenya’s imports accounted for 0.09% of World’s total imports. Consequently, the balance of trade deficit for merchandised trade improved by Kshs 203 billion (16.8 per cent) to record Kshs 1.0 trillion in 2020 from Kshs 1.2 trillion in 2019. The trends in exports and imports are summarized below for the period 2007-2020.

**Fig: Kenya’s Balance of Trade trends (2007-2020)**



Source: Kenya National Bureau of Statistics, compiled by KEPROBA

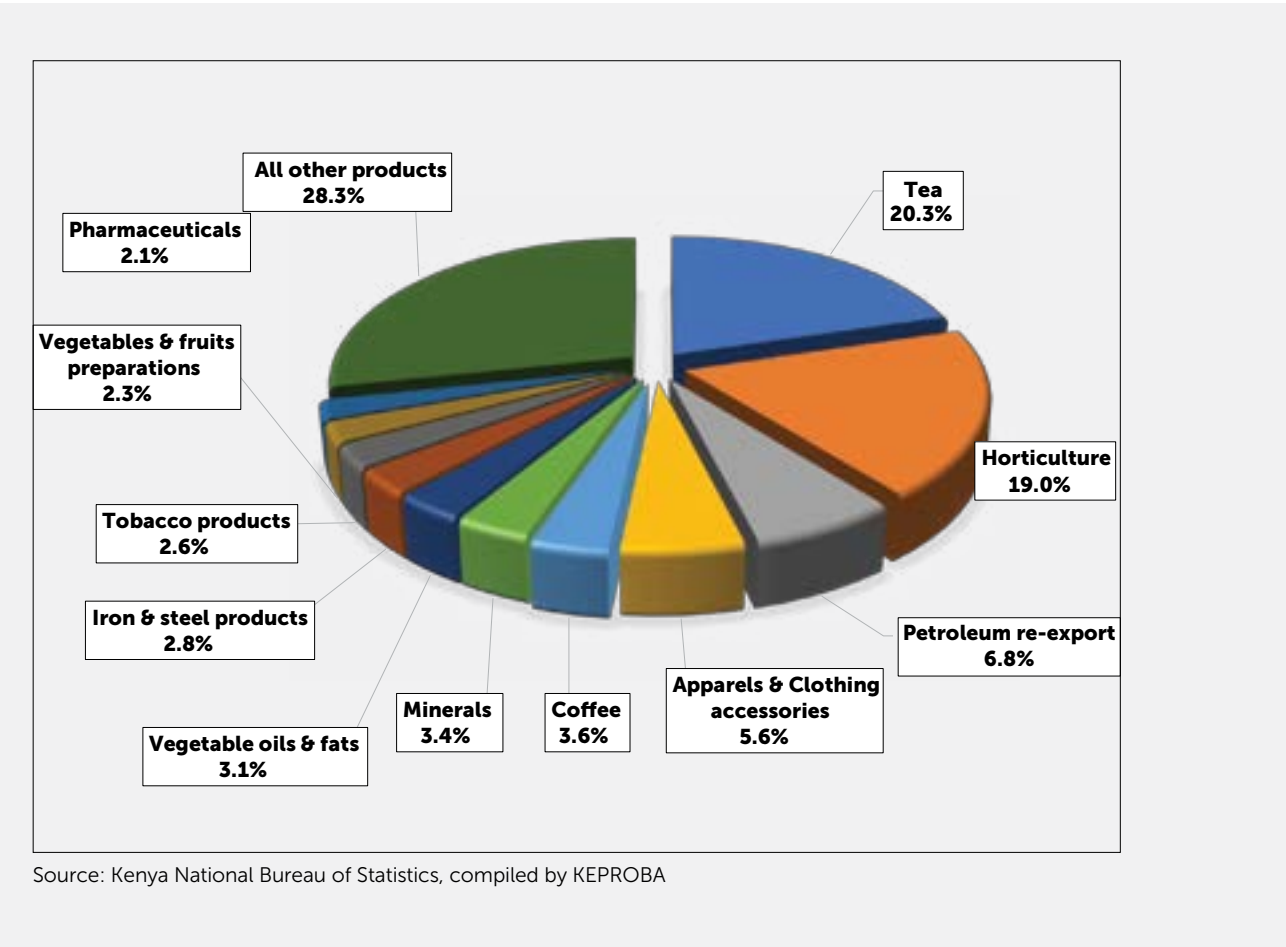


In 2020, Kenya's exports mainly comprised of primary commodities: tea, horticulture, coffee, tobacco products and minerals. Other major export products included textile and apparels, animal or vegetable oils, iron and steel products, vegetable and fruit preparations, pharmaceuticals/ medicaments, and articles of plastics. The share contribution by the top ten products amounted to

about 72 per cent in 2020 up from 70 per cent and 64 per cent in 2019 and 2018 respectively.

During the same period, the country's main imports comprised of high value capital goods and goods including petroleum oil products, industrial machinery, crude vegetable oil, raw iron or steel, and plastics for industrial use.

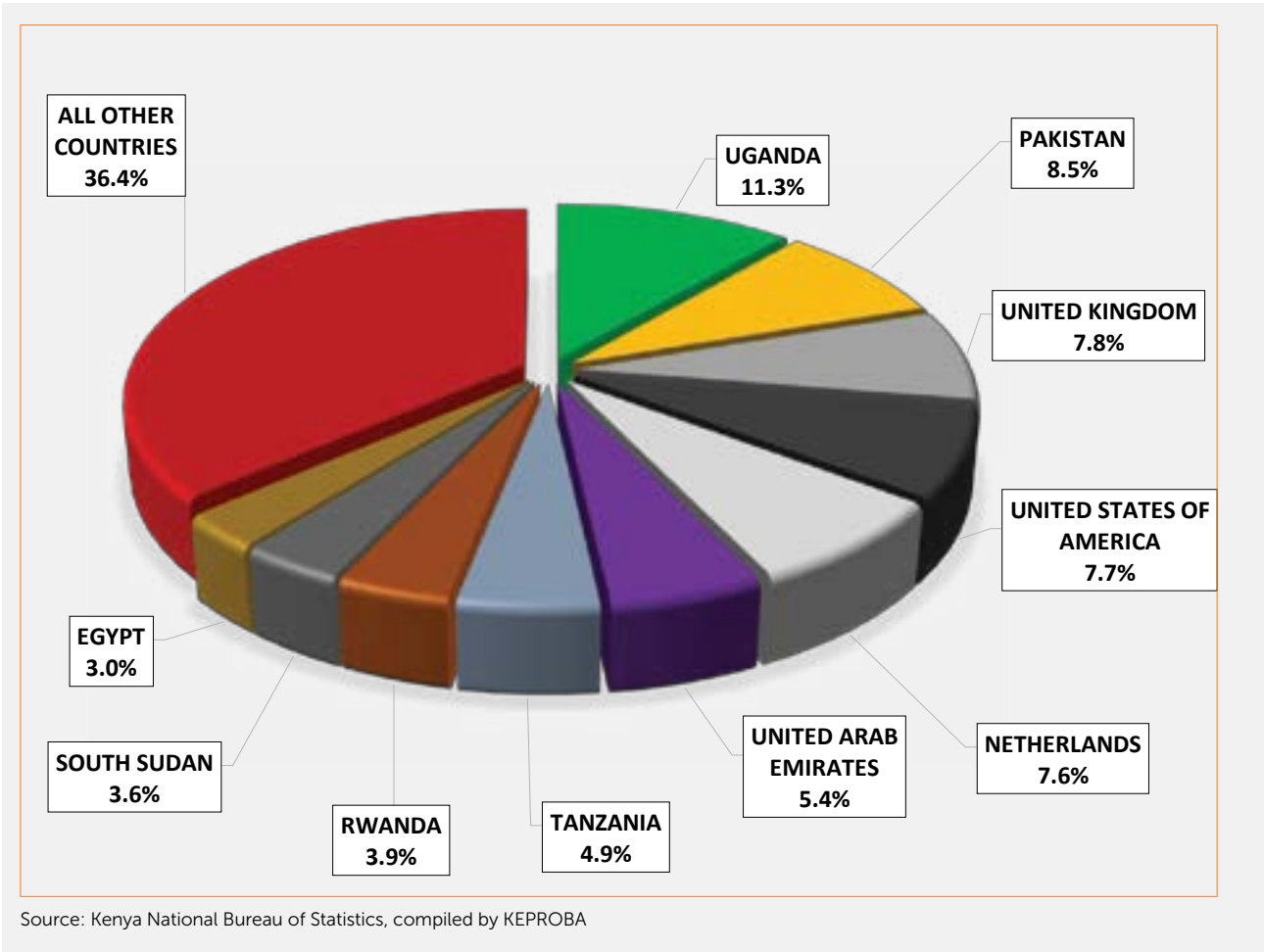
Fig: Share of Kenya's export product to Kenya's total exports in 2020



For the last two decades the structure of Kenya's export markets remained narrow as demonstrated by high percentage share of Kenya's exports in few markets. In both 2019 and 2020, 64 per cent of Kenya's total exports were destined to only ten markets. The leading twenty-five markets accounted for 86 per cent and 84 per cent of all exports in 2019 and 2020 respectively.

The narrow range of destination markets explains the dismal share of the country's total exports in total global merchandise trade that has averaged at 0.03 per cent during the last two decades. This scenario demonstrates existence of huge export potential in the untapped regional markets of EAC, COMESA, EAC-SADC-COMESA Tripartite FTA, Africa continental markets (AfCFTA), The USA under AGOA arrangement, the EU and Rest of the World.

Fig: Share of Kenya's export markets to Kenya's total exports in 2020

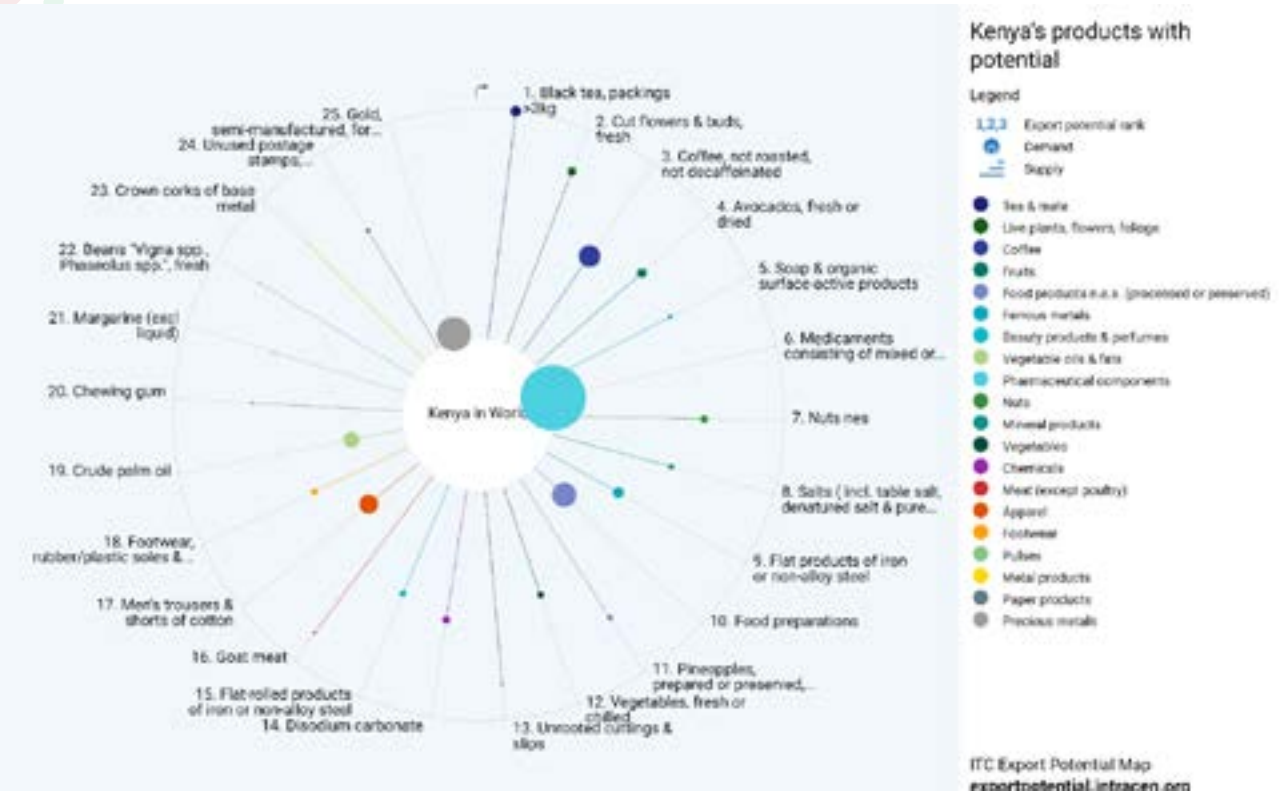


The Kenya brand ranked relatively well overtime as measured on various nation branding metrics. In 2019, Future Brand Index ranked Kenya as 63<sup>rd</sup> in terms of perception strength, as 75<sup>th</sup> among the World Bank's top countries by GDP (having improved by two places from 2014) and as 5<sup>th</sup> in Africa behind South Africa, Ethiopia, Egypt and

Algeria. In 2020, Kenya ranked 46<sup>th</sup> in terms of perception strength, according to the Future Brand Country Index. This represents a 17 places rise from 65<sup>th</sup> in 2014. In 2020, Kenya was ranked 65<sup>th</sup> according to World bank GDP position.

“The country's ability to industrialize has been hampered by, among other factors, limited domestic purchasing power, shrinking government budgets, increased external and internal debt, and poor infrastructure.”

Fig: Export Market Potential for Kenya's products in 2020



Source: ITC Export Trade Map, Compiled by KEPROBA

The products with greatest export potential from Kenya to World are Black tea, packings >3kg, Cut flowers & buds, fresh and Coffee, not roasted, not decaffeinated. Kenya has the highest supply capacity in Black tea, packings >3kg. Medicaments consisting of mixed or unmixed products, for retail sale is the product that faces the strongest demand potential in World.

Brand Performance 2020/2021

Kenya was listed as one of the top 5 rising countries in rank after Angola, Algeria, Puerto Rico and Bangladesh having moved from 63 in 2019 to 46 in 2020. The report hypes Kenya as a beacon of hope in the continent of Africa and that the Country is making great strides into the future for its people and the rest of the continent.

Top 10 Brands in the World

Country	FCI Ranking 2020	Change from 2019
Japan	1	–
Switzerland	2	▲ 1
Norway	3	▼ 1
Germany	4	▲ 2
Canada	5	▲ 3
Denmark	6	▲ 1
Finland	7	▼ 2
Sweden	8	▼ 4
UAE	9	▲ 7
New Zealand	10	▲ 1
Kenya	46	▲ 17

Table: Source FutureBrand Country Index 2020

Top Country Brands in Africa

Country	FCI Ranking 2020	Change from 2019
Angola	32	▲ 37
Algeria	34	▲ 26
Ghana	36	–
Ethiopia	44	▲ 8
South Africa	45	▲ 6
Kenya	46	▲ 17
Egypt	54	▲ 1
Nigeria	61	▲ 7
Morocco	64	▲ 2

Table: Source FutureBrand Country Index 2020

KEY OPERATIONAL ACHIEVEMENTS

Strategic Objective 1: To develop, diversify and brand Kenya's export products

Under this strategic objective, the Agency seeks to develop new product lines to widen Kenya's export basket to increase foreign exchange. The Agency facilitates branding of both the existing and newly developed products with the mark of identity to demonstrate originality of such products and project the Kenya's image as a source of high-quality products. Such knowledge will increase preference of Kenya's export products by the international buyers. In the period under reporting, the Agency achieved the following:

a) Facilitate Product Adaptation to Meet Market Requirements:

The Agency in collaboration with the Agricultural Food Authority's Tea Directorate developed ten (10) product lines in Tea. Other new product lines would be realized upon finalization of the Product Development Programme. The 10 products in the tea sector are summarized below:

No.	Product Category	Product Lines
1.	CTC Black Tea	1) Black loose tea 2) Black Tea bags
2.	Specialty Teas	1) Purple Tea 2) Green Tea 3) Black Orthodox 4) Purple Orthodox 5) White Tea
3.	Flavored Tea	1) Ginger Tea 2) Masala Tea 3) Chamomile Tea (Non-Caffeinated)

b) Enhance the value proposition for Kenya's prioritized Products:

The Agency profiled and promoted a cumulative of 129 products made in Kenya in line with the Buy Kenya Build Kenya strategy under the following campaigns: #Buykenyabuildkenya, #supportlocal, #100Kenyanbrands and, #madeikenya.

In the period under reporting, the Agency undertook digital campaign on #Kenyapilipili and #Export101 series focusing market access and product branding and procedures of exporting respectively. The #kenyapilipili campaign registered a reach of over 200,000 and over 500 enquiries.

c) Undertake Product Research and supply surveys for Kenyan products:

The Agency conducted product supply and demand profiling for the following products: cut flowers, pharmaceutical products, flowers, tea, coffee, avocados, leather, miraa, goat meat, textile and apparel and PPEs. These reports highlight opportunities for Kenya in exporting this product to the markets while at the same time highlighting the constraints in exporting



this product to Uganda and provide counter strategies was developed. These reports further demonstrated resilience and need for attention in terms of stronger linkages with markets for a stable export performance.

**Strategic Objective 2: To develop and diversify Kenya’s export markets**

Under this strategic Objective, the Agency seeks to widen Kenya’s export markets in addition to the traditional ones. This includes access to traditional markets by Kenyan export products that the Country has never exported to such markets before. In the year under review, the Agency achieved the following:

**a) Leverage on Technology for Market**

**Access:** Development of the E-portal, a platform that will be used to showcase Kenyan goods and services and link the Kenyan Exporters to the international market is ongoing. Kenya opened accounts with Alibaba.com and Amazon and recruited companies to showcase their products and trade on this platform. A total of 206 products were listed on Alibaba.com in the financial year 2020/21.

**b) Organize, coordinate, and participate in trade promotion activities**

**i. Gulfood 2021**

The Agency, alongside Stakeholders including Tea Directorate, State Department for Trade and Enterprise Development and Kenya Chamber of Commerce and Industry participated in the Gulfood trade show in UAE from 21st – 25th February 2021. 3 products namely Coffee, Tea and Goat meat were promoted at Gulf Food 2021. A high-level long-term strategy to penetrate the UAE market was developed through B2B engagements. During this

mission, discussions were initiated on partnership with RSA logistics and DP World in providing logistical solutions to Kenyan Exporters targeting the UAE market. Other outputs of the mission included initiation of discussions with DMCC in establishment of a distribution centers and value addition for Coffee and Tea and other marketing activities such as Buyer’s forums and product showcases.

**ii. World Expo 2020 Dubai**

The Agency is spearheading Kenya’s preparation for participation at the World Expo 2020 Dubai from 1st October 2021 to 31st March 2022. The Agency’s CEO chairs the National Steering Committee of the Expo that has sub-committees that draw membership from Government Agencies and the private sector. The Agency continued spearheading Kenya’s preparation for participation at the World Expo 2020 Dubai through among others; development of programme and work plan for Kenya’s participation at the World Expo, revised cabinet memo for funding of the Expo was presented to the National Development Implementation Technical Committee (NDITC) and was approved. This revised memo was also submitted to the Cabinet Secretary for the National Treasury by the Cabinet Secretary of the Ministry of Industrialization. Trade and Enterprise Development. The Agency continues to firm up Kenya’s programmes at the Expo including booking of venues for the Kenya-led programs at the Expo.

**c) Undertake Market Research**

The Agency undertook market specific trade flows generated in Somali, Tanzania,

France, UAE, DRC, USA, Burundi, Belgium, Switzerland, Turkey, Germany and United Kingdom These trade flows informed of the actual state of demand in the various market and was instrumental in directing strategic focus in different missions as well as virtual; engagements with the countries under study. Over and above, the Agency in collaboration with the state Department for Trade undertook analyses and developed Country specific strategies on China, India, Japan and Korea. The strategies identified positions and strategic options to be pursued while engaging with Asian markets especially focusing on the wide of trade deficit that require Kenya to increase exports into those markets that are currently strongly anchored on international trade.

The Agency committed to undertake destination markets research on buyer behavior and decision, market, and media environments. This could not be done within the reporting period since the tender was nonresponsive. The TORs were instead revised to focus on UAE market and the 7 priority products: Tea, Coffee, Fruits, Vegetables, Flowers, Goat Meat and Innovations as per the UAE and GCC high level strategy.

**d) Negotiate for market access and removal of trade barriers:** The Agency engaged in National trade negotiations committees and Support regional trade negotiations and implementation of EAC, COMESA and AfCFTA.

The Agency engaged with the Nyeri and Meru Counties to discuss challenges in the export sector with a view of possible alleviation. The output of the forum included identification of challenges as follows:

- ☑ Diminishing land for tea and Coffee.
- ☑ Market imperfections (price fixing);

- ☑ Diminishing Labor capacities.
- ☑ Wastages in terms of aging technology.
- ☑ Lack of markets.
- ☑ Weak organizational cultures
- ☑ The pain areas are to be apportioned to the various offices for addressing
- ☑ Branding and positioning of coffee as an export product

In the year 2020, the Agency developed position papers for the for the following countries: Belgium, Switzerland, UK, USA and France. The position papers and background papers were objective driven to engage with different partners on economic diplomacy platform. The opportunities and challenges that were isolated within these position papers enabled in-depth understanding of the market as well as the content for negotiations at high level that included summit engagements. The Agency developed a draft sessional paper on alleviation of constraints in the export trade system that for discussion and possible implementation by the Parliamentary Committee on Trade and Cooperatives.

**SO3: To manage image and reputation of the Kenya Brand.**

**a) Integrated Marketing Communications Strategy**

The Agency developed the Integrated Marketing Communication strategy for Nation Branding, Export Promotion and Institutional positioning. The following campaigns were undertaken in line with the IMC to promote the products under the Buy Kenya Build Kenya initiative and to publicize the Agency:

1. Valentines Campaign  
-#FromKenyaWithLove

- 2. Focus on Products - KenyanMaembe
- 3. Export Agenda KE #ExportAgendaKE
- 4. Kenyan Of The Week
- 5. Gulf Food 2021
- 6. It's Made In Kenya - #MadeInKenya
- 7. Product Development workshop: Bungoma, Kisumu, Nairobi
- 8. KQ Partnership - #KQCargoPreighter
- 9. Kenya –UK Trade deal webinar
- 10. Expo Dubai 2020 – Scale to Dubai
- 11. Burundi State Visit - #BurundiStateVisit
- 12. Buy Kenya Build Kenya Campaign – #ItsMadeInKenya #BuyKenyaBuildKenya, #SupportLocal
- 13. Product focus campaign - #KenyanLemons
- 14. Expo Dubai 2020 - #Expo2020KE #FeelTheEnergyKE #SustainabilityAgendaKE
- 15. Kenya-Tanzania High Level Business Forum – #KETZBusinessforum
- 16. Corporate Annual Report 2019 – 2020
- 17. Supporting Govt initiatives - #Big4Agenda, Kenya Vision 2030, #LandAgendaKE, #YouthAgendaKE, #HealthAgendaKE
- 18. Lamu Port Launch - #LamuPortTakeOff
- 19. Kenyan of the week #KenyanOfTheWee
- 20. Media Training workshops - #ExportAgendaMediaWorkshop

The Agency generated PR value amounting to Ksh. 15.9 million against the target of Ksh. 18 million annual target.

**b) Enhance stakeholder management, media relations and partnerships**

The Kenya Export Promotion and Branding Agency's part of the mandate is to collect and disseminate positive narratives about the country, drive civic pride and patriotism

for the Kenyan brand and create affinity and loyalty for made in Kenya products. In the past few months when the world was fighting the global pandemic COVID 19, a majority of in the diaspora.

The Agency conducted six media forums where a total of 126 Journalists were trained on positive reporting about exports. During the period under reporting, the Agency developed 35 feature stories published in both print and broadcast to create awareness on A-Z process of product development. Additionally, the Agency held 8 media receptions.

**SO4: To strengthen the institutional capacity of Kenya Export Promotion and Branding Agency to deliver on its mandate**

**a) Enhance Service Delivery using ICT:**

The Agency initiated development of the Enterprise Resource Planning (ERP) system to automate the Agency's business processes.

**KEY MISSES IN PROGRAMME IMPLEMENTATION**

**Strategic Objective 1: To Develop, Diversify and Brand Kenya's Export Products**

**a) Enhance the Value Proposition for Kenya's Prioritized Products**

The Agency planned to brand 300 products with the mark of identity. A total of 129 companies adopted the mark making the Agency fall short of branding 171 products. This was largely attributable to the emergence of Covid-19 whose containment measures in the Country disrupted and halted engagements between the Agency and stakeholders.

**Strategic Objective 2: To Develop and Diversify Kenya's Export Markets**

**a) Organize coordinate and participate in Trade Promotional Activities**

**i. Gulfood 2021**

The Agency had targeted to facilitate 12 exporters to showcase their products at Gulfood. However, no exporter received facilitation. The Agency had targeted to secure 15 exporters to participate in Gulfood 2021. Only 3 exporters showcased their products. Consequently, this impacted the number of distribution agreements signed with leading importers in the UAE, with 1 agreement signed against the target of 4 agreements.

**b) Undertake market research in Egypt and Germany**

The Agency had targeted to undertake 2 market research in Egypt and Germany. However, the agency was yet to conduct Market research in Egypt and Germany owing to the situation occasioned by the emergence of COVID 19 and consequent measures to control its spread.

**c) Advocate for Establishment of Export Finance facilities**

The Agency had targeted to establish 2 export financial facilities for export (Export Development Fund and EximBank which the Agency is yet to establish. The Agency followed up with the National Treasury on the establishment of Export Development Fund and Exim Bank to support Kenyan Exporters. Credit Guarantee has been established by the National Treasury. Trainings on the scope and operational modalities of the Exim Bank and the

Export Development Fund ongoing.

**Strategic Objective 3: To manage image and reputation of the Kenya Brand**

**a) Foster National pride and patriotism**

**i. Activation during Global Sports events**

The Agency committed to train 100 athletes on positive messaging of Kenya during global events. This was not done since the athletes had not been recruited for the Tokyo 2020 Olympics and when they were recruited, the Agency was not allowed to train them due to the following reasons:

- ☑ *Athletics Kenya (AK) requested to be funded and shared a budget of 20 million for the Agency to access the athletes*
- ☑ *After selection, the Agency was not allowed to engage the athletes due to COVID-19 restrictive control measure as they were travelling to Tokyo*
- ☑ *Due to lack of provision of online training services*

**Strategic Objective 4: To strengthen institutional capacity for KEPROBA to deliver on its mandate.**

**a) Stakeholder appreciation and awards: Kenya Exporter and Nation Brand Awards**

The Agency had targeted 100 exporters to participate in the championship of the Kenya Exporter and Nation Brand Awards. However, the activity was not held.



## CHALLENGES

- i. Emergence and restrictive control measures of COVID-19 that hindered operations of the Agency staff.
- ii. **Inadequate Funding:** The Agency has received inadequate funding to aid in the realization of its mandate.
- iii. **Inadequate Staff:** The Agency has minimal staff capacity against the establishment, affecting efficiency in implementing programmes and activities. There is need for hiring for staff with specialized skills.
- iv. Pain Areas hindering Development and Growth of Exports: the following pain areas were identified and needed maximum attention; High-Cost Business Environment; Local Restrictions and Regulatory Requirements; Value Chain Weaknesses and raw materials inadequacy; Infrastructure Challenges; Market Competition and Terms of Trade; Inadequate market Information and Promotion; Stringent standards in the International Markets; and Slow adoption of Technology.

## OPPORTUNITIES

1. Credible and Reliable Partners e.g. International Trade Centre, Ministries Departments and Agencies
2. Existing Networks for collaboration and implementation of the Agency's programs e.g. Agriculture and Food Authority, Academia among others.
3. Unexploited/Untapped transport and logistics infrastructure e.g. SGR/

airports Potential

4. Political goodwill created from the government through development programs e.g. Big 4 Agenda-manufacturing pillar that promotes value addition.
5. Devolution- expanding the supply of exportable products through county engagements
6. Available opportunities for partnership in nation branding.
7. Enhance the image and reputation of the country brand
8. Kenya's Strategic location as an economic hub in the region
9. Maximizing on Kenya heroes and heroines that are globally and locally recognized.

## KEPROBA'S OUTLOOK

Kenya Export Promotion and Branding Agency has mapped out future activities that will be carried out under each strategic objective in order to make Kenyan commodities more competitive in the global market.

### SO1: To develop, diversify and brand Kenya's export products

- ☑ Undertake diagnostic & supply surveys to map out and segment the enterprises in the prioritized sectors.
- ☑ Engage regulators and stakeholders to address supply and demand side constraints.
- ☑ Branding of Kenya's export products: The Agency seeks to develop a branding strategy for Kenya's flagship products as well as brand products with the Mark of Identity.

- ☑ Facilitate product development and adaptation to meet export market requirements
- ☑ Provision of trade and brand information
- ☑ Organize and undertake exporters outreach forum to disseminate policy information to enhance awareness on trade and branding by the exporters community
- ☑ Engage Services suppliers on Opportunities and conditions in Foreign Markets

### SO2: To develop and diversify Kenya's export markets

- ☑ Undertake research in 7 prioritized markets in the following regions West Africa (Senegal and Ivory Coast), East Africa (Sudan), Southern Africa (Zambia/south Africa), Northern Africa (Egypt, Morocco), EU (Germany, Poland)
- ☑ Engage Kenya Missions abroad on impact of COVID 19 Pandemic on Kenya's export performance
- ☑ Develop and implement an online portal and mobile application to showcase Kenya's goods and services
- ☑ Partnering with E Commerce platforms to promote Kenyan products e.g Amazon, Alibaba, Etsy.com

- ☑ Establishment of an Exporters Academy
- ☑ Develop and implement market specific strategies
- ☑ Partner with international retail outlets in China and Dubai to increase exports to the regional markets and enhance access to Kenyan products within the selected markets
- ☑ Explore and exploit opportunities in the African Continental Free Trade Area (AfCFTA)
- ☑ Support negotiations for market access and removal of trade barriers.

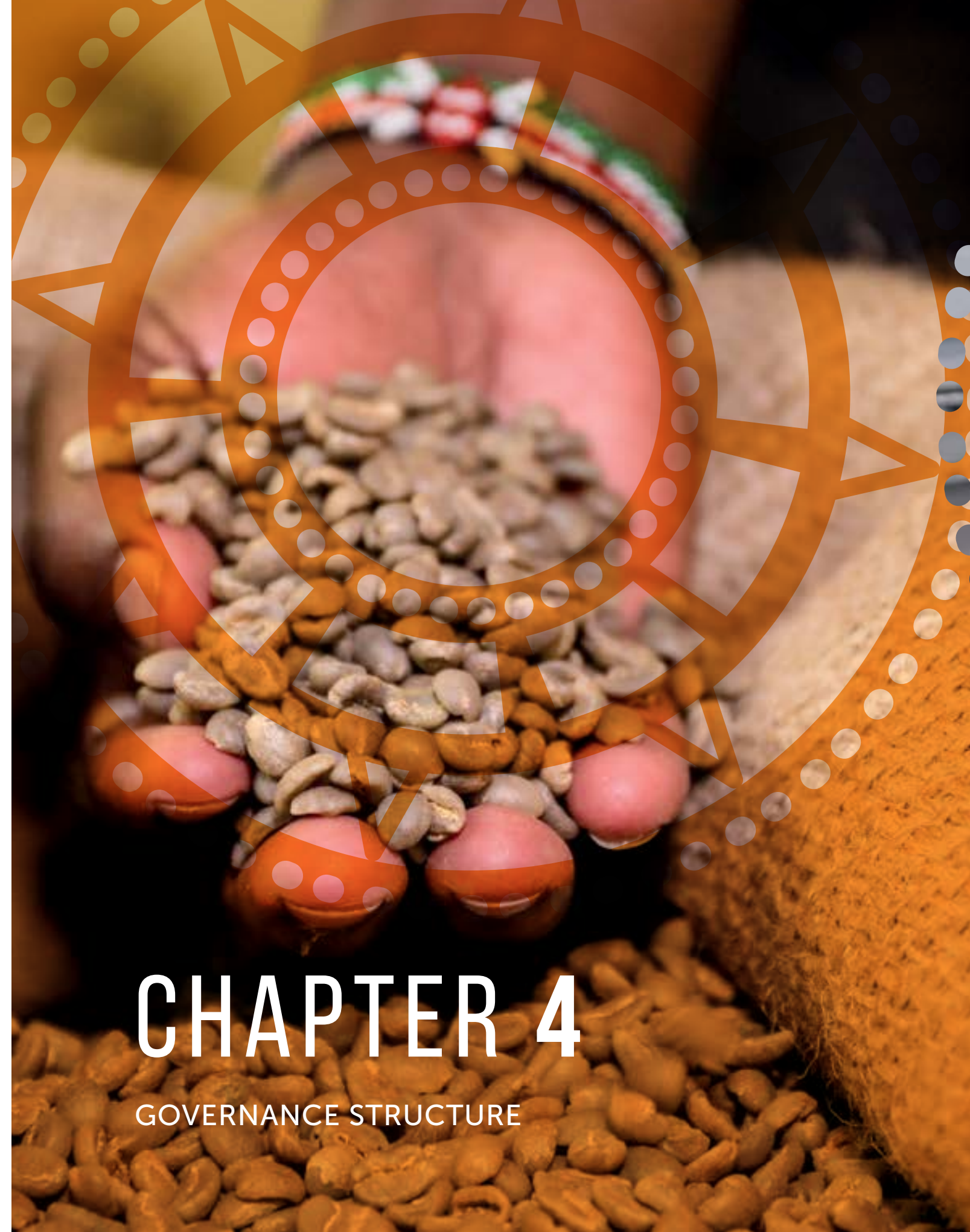
### SO3: To manage image and reputation of the Kenya Brand.

- ☑ Undertake perception surveys in the priority markets
- ☑ Undertake IMC Campaigns in priority markets to position Kenya as a top global brand.

### i. Brand Performance 2020/2021

Kenya has been listed as one of the top 5 rising countries in rank having moved from 63 in 2019 to 46 in 2020.





# CHAPTER 4

## GOVERNANCE STRUCTURE



## MR. JASWINDER BEDI, EBS, MBS

BOARD CHAIRMAN

- 📅 Date of Appointment: **9<sup>th</sup> August 2019**
- 📅 Date of Birth: **15<sup>th</sup> January 1963**
- 📅 Managing Director, Bedi Investments Limited
- 📅 Executive Director, Fine Spinners Uganda Limited
- 📅 Vice Chairperson, Kenya Private Sector Alliance
- 📅 Member, Young Presidents Organization (YPO)
- 📅 A Textile graduate (1984) and has attended numerous executive business courses at the Harvard Business School, IMD and IIM.
- 📅 A seasoned leader whose business acumen has been recognized by various Governments worldwide and Presidents of the Republic of Kenya. He has been tirelessly involved in developing export market opportunities, particularly in trading blocs such as EAC, COMESA, SADC, TFTA, AfCFTA, USA and the European Union.



### Jas has previously served as:

- 📅 Chairman African Cotton & Textile Industries Federation (ACTIF) 2006 - 2019
- 📅 Chairman Export Promotion Council (EPC) 2016 - 2019
- 📅 President of International Textile Manufacturers Federation (ITMF) 2016 - 2018
- 📅 Chairman Kenya Association of Manufacturers (KAM) 2010 - 2012
- 📅 Director Kenya Association of manufacturers (KAM) 1996 - 2010
- 📅 Chairman Kenya Apparel Manufacturers Exporters Association 2003 -2010
- 📅 Governor Kenya Private Sector Alliance (KEPSA) 2010 - 2015
- 📅 Vice Chairman East African Business Council (EABC) 2012 – 2014
- 📅 Managing Director Orbit Chemicals Industries Limited 2003 – 2005
- 📅 Director Export Processing Zones Authority (EPZA) 2006 – 2012
- 📅 Director Export Promotion Council (EPC) 2003 - 2006



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**MS. KATHLEEN KIHANYA****Independent Director**

- 📄 Bachelor of Business Administration – Marketing Major, Management Minor
- 📄 Master of Business Administration (GEMBA)
  - ▶ Date of Appointment – 9th August 2019
  - ▶ Date of Birth: 18th May 1962
  - ▶ Managing Director: Sundales International
  - ▶ Marketing Director of XQUE Consulting
  - ▶ Founder of XQUE Communications Ltd
  - ▶ PR and Sponsorship Director, Kenya Open Golf Limited
  - ▶ Marketing and Brand Strategist
  - ▶ Trainer on Corporate Culture and Personal Branding
  - ▶ Executive Personal Coach

**MS. JACQUELINE MUGA****Independent Director**

- 📄 Bachelor of Arts, Economics & Sociology
- 📄 Master of Business Administration – Finance
- 📄 Post Graduate qualifications in Corporate Governance and Strategic Leadership
- 📄 CIFA Finalist (Section 6)
  - ▶ Date of Appointment - 9<sup>th</sup> August 2019
  - ▶ Date of Birth: 6<sup>th</sup> June 1977
  - ▶ General Manager, Eliud & Associates Management Consultants
  - ▶ General Manager, Eliud & Associates Management Consultants
  - ▶ Formerly worked for Cooperative Bank of Kenya

**MR. MARK BICHACHI****Independent Director**

- 📄 Bachelor of Science in Instrumentation and Control Engineering
  - ▶ Date of Appointment - 9th August 2019
  - ▶ Date of Birth: 1st April 1984
  - ▶ Managing Director & Founder, Dia Group of Companies
  - ▶ Founder, Dia Consult Limited
  - ▶ Director, Clouds Digital, Tanzania

**MS. LEAH AYWAH BARAZA****Alt. to the Attorney General**

- 📄 Master of International Relations with Master of International Trade and Commerce Law
- 📄 Bachelor of Laws - Nagpur University, India
  - ▶ Date of Appointment – 25<sup>th</sup> September 2019
  - ▶ Date of Birth: 21<sup>st</sup> June 1972
  - ▶ Deputy Chief State Counsel, Office of the Attorney General and Department of Justice
  - ▶ WTO Training – Dispute Settlement System
  - ▶ Strategic Leadership Development Program
  - ▶ ILO Training - Project Cycle Management
- ▶ WIPO – General Course on Intellectual Property
- ▶ Certificate, United States Patent and Trademarks Office, Global Intellectual Property Academy- Johannesburg – South Africa
- ▶ Designing Legislative, Institutional, and Regulatory Frameworks for Successful Public – Private Partnerships Certificate - Institute of



- Public - Private Partnerships (IP3), USA
- ▶ Deputy Chief State Counsel, Office of the Attorney General and Department of Justice
- ▶ Previous Roles
- ▶ Legal Consultant – Mater Hospital Nairobi
- ▶ Associate at S.K. Ritho & Co. Advocates
- ▶ Legal Assistant at B.M. Wamalwa & Company Advocates



**MR. OLIVER KONJE**  
Alt. to PS, State Department for Trade

- 📄 Bachelor of Commerce- Marketing
- 📄 MSC Entrepreneurship
  - ▶ Date of Appointment – 1st November 2019
  - ▶ Alternate to the Principal Secretary, State Department of Trade.
  - ▶ Assistant Director (SDT) Bilateral Division.
  - ▶ Former Senior Lecturer (KIBT),
  - ▶ Former Commercial Attached (Germany)



**DR. WILFRED NYAKWANYA MARUBE**  
Chief Executive Officer,  
*Kenya Export Promotion and Branding Agency*

- 📄 PhD (Communications Studies)
- 📄 Master of Arts (Linguistics)
- 📄 B. Ed (English and Literature)
- 📄 Executive Diploma- Marketing
- 📄 Diploma- Public Relations Management
  - ▶ Date of Birth – 10 February 1974
  - ▶ 2020 June to date - Chief Executive Officer, Kenya Export Promotion and Branding Agency
  - ▶ 2013 to 2020 - Head of Public Relations and Communications, Office of the Auditor-General
  - ▶ 2007 to 2013 - City Council of Nairobi, Chief Public Relations Officer
  - ▶ 1997-2007- Teachers Service Commission
  - ▶ July 2020 to date- Board Member, Global Alliance for Public Relations and Communication Management
  - ▶ 2019 to date - President Public Relations Society of Kenya
  - ▶ 2017-2019, Vice President, Public Relations Society of Kenya



**KEPROBA MANAGEMENT TEAM**



MS. FLOICE MUKABANA  
Director, Resource Mobilization and Stakeholder Management

- 📄 Bachelor of Law from the University of Nairobi.
- 📄 Executive MBA from JKUAT
- 📄 Professional Memberships: ICFA, ICPAK, ICPSK and the Law Society Kenya (LSK).
  - ▶ Has over 10 years' experience in the Public Sector Financial Management, having worked (KIRDI) as the

Finance Manager and Assistant Director, Finance.

- ▶ Previous experience with Celtel Kenya Ltd, Kenya Revenue Authority and Devtech SYS Inc.



MS. CHRISTINE MWAKA  
Director, Corporate Services

- 📄 MBA - Finance Option
- 📄 Pursuing PhD, (Course work complete)
- 📄 CPA (K),
- 📄 Professional Membership ICPAK, Kenya Institute of Management, Institute of Directors
  - ▶ Financial Management and Accountability

Has over 20 years' experience in Financial Management and Accounting attained in the Public Sector, Private Sector and Non-Profit Sector in senior positions



MR. AUSTIN MACHESO

Ag. Director, Product and Market Development

Mr. Macheso holds a Master's Degree in International Business Management MIM (International Marketing), from Pondicherry University, a Bachelor's Degree in Economics, Sociology & History from Agra University among other professional trainings.

He is a qualified Product Development and Export Promotion expert with over 15 years' experience in Export Market Development and Promotion. He is a member of the Marketing Society of Kenya



MS. MAUREEN MAMBO

Ag. Director, Nation Brand Development, Marketing and Communication

Maureen is a Strategic Communications and Media Relations expert with over 13 years of experience in the industry. She holds a Masters Degree in Development Communication and a Bachelor of Arts Degree in Communication from Daystar University (Kenya).

international, Pan African and local outlets. She has supported clients from the private and public sector in various sectors including: Agriculture, Extractives, Infrastructure, Health, Banking, Oil and Gas among others. Prior to joining Brand Kenya, Maureen worked for Africa practice EA Ltd, a Pan-African strategy and communications consultancy and the Kenya Broadcasting Corporation.

She has managed client communications and engaged with high level media across



MS. FRIDA MBUGUA

Corporation Secretary and Manager Legal Services

Frida is an Advocate of the High Court of Kenya. She holds a Master of Arts Degree in International Studies from the University of Nairobi, a Bachelor of Laws from the University of Nairobi, a Post Graduate Diploma in Law from the Kenya School of Law and a Higher Diploma in Human Resource Management from the Institute of Human Resource Management. She is a Certified

Public Secretary and a member of the Institute of Certified Public Secretaries of Kenya, a trained Arbitrator, Governance and Public Policy Expert She has a wealth of experience having worked in the manufacturing sector at the Kenya Association of Manufacturers (KAM) and in the agricultural sector while she worked at the Kenya Plant Health Inspectorate Service (KEPHIS).



MR. PETER OCHIENG

Ag. Director, Research, and Innovation

Mr. Ochieng holds a Master of Economics and Business from the University of Zagreb and a post Graduate Diploma in International Relations from the University of Nairobi.

spanning over twenty-five years in Tourism Management, Trade Development and Promotion and in Diplomacy where he has served Kenya as a commercial Attaché.

He also has certificates in Trade Promotion Policy, Tourism Management and Negotiations. He has professional experience



MR. REUBEN WANJALA

Ag. Director, Resource Centre

Mr. Wanjala holds a master's degree in Information System and a Bachelor of Commerce (Management Science) both from the University of Nairobi and a National Diploma in Computer Studies. He also holds several certifications in leadership, Microsoft systems and virtualization.

He has close to 20 years' experience in the ICT industry having worked in both private and public sectors. He is a member of the Computer Society of Kenya and Information Society of Kenya.



MS. CELESTINE RONO

Ag. Director, Strategy, Planning & Quality Assurance

Celestine holds a Master of Business Administration (Strategic management) and a Bachelor of Business Administration (Accounting). She is a Certified Public Accountant of Kenya (CPA(K), a Certified Monitoring and Evaluation Professional and a Certified Secretary of Kenya (CS)(K).

She is a full member of the Institute of Certified Public Accountants (ICPAK), Institute of Certified Secretaries (ICSK) and Kenya Institute of Management (KIM), all in good standing.

She has previously worked with the Anti-Counterfeit Agency, Kenya Women Finance Trust and Eastern Produce Kenya Limited.





MR. DOMNICK ARIRO  
Manager, Supply Chain  
Management

Domnick holds a Master of Science Degree in Procurement and Logistics, a Bachelor of Purchasing and supplies Management Degree from Jomo Kenyatta University of Agriculture and Technology and a diploma in supplies management from Nairobi

Technical Training Institute.

He is a licenced supplies practitioner and a registered member of the Kenya Institute of Supplies management. He has over 12 years' experience in public procurement.



MR. VICTOR ODINDO  
Manager, Internal Audit

Mr. Odindo holds a Master of Commerce (Forensic Accounting) and a Bachelor of Commerce (Finance). He is a certified Public Accountant of Kenya (CPA (K) and a member of the Institute of Certified Public

Accountants of Kenya (ICPAK). He is also a Certified Information Systems Auditor (CISA).

He has over 13 years' experience in audit, risk, and quality assurance.





CORPORATE GOVERNANCE STATEMENT

The Kenya Export Promotion and Branding Agency is a new State Corporation under the Ministry of Industrialization, Trade and Enterprise Development established under the State Corporations Act Cap 446 through Legal Notice No.110 of August 9th, 2019, after the merger of the Export Promotion Agency and Brand Kenya Board. The Export Promotion Agency was initially under the Ministry of Industrialization, Trade and Enterprise Development while Brand Kenya Board was under the Ministry of Tourism and Wildlife.

Corporate governance is the process and structure used by the Agency to direct and manage its business affairs. This enables the Agency to enhance corporate performance, prosperity, and accounting and to achieve long term value to government taking cognizance of the interest of other stake holders. This statement sets out the main corporate governance practices and structures in the Agency.

The corporation is following the Mwongozo Code of Governance established to ensure effective and efficient use of public resources to achieve our shred goals. The Code of Governance confirms to the Constitution of Kenya (2010) as it is anchored in various articles. Article 10 which embeds the national values and principles of governance, Article 73 entrenching the guiding principles of leadership and integrity and Article 232 which stipulates the national values and principles of public service.

The Board of Directors of the Kenya Export Promotion and Branding Agency is responsible for the governance of the Agency and is accountable to the government and stakeholders in ensuring compliance with the relevant laws governing its operation, best practice, and the highest standards of business ethics. Accordingly, the Directors attach great importance to the need to conduct the business and operations of the Agency with integrity, professionalism and has embraced the

internationally developed principles and code of best practice of good corporate governance.

Board of Directors

There is an established Kenya Export Promotion and Branding Agency Board of Directors. It is provided for under the Agency’s Memorandum and Articles of Association, Article 24 charged with the responsibility of managing the business of the Agency.

The Board’s responsibilities are broadly set in the Board Charter. The Charter further outlines the core commitment required of members of the Board to discharge their mandates. It ensures the effectiveness of each Director’s contribution in the governance of the Agency by facilitating full and free exercise of independent judgment and professional competencies. The Board defines the Agency’s strategies, objectives, and values. They also ensure that procedures and policies are set in place to ensure effective control over strategic, financial, operational and compliance issues. Except for policy guidance and direction, the Board delegates authority of its day – to – day business to the Management through the Chief Executive. It is none the less responsible for the stewardship of the Agency and assumes responsibilities for the effective control over the Agency.

The board in the performance of its functions is guided by the provisions of the Constitution (2010) and the Mwongozo code of Governance among other laws. The boards as well as management have continued to uphold the core values of the organization. In line with the core values the board championed the development of the Strategic Plan, 2019 – 2022. The focus of this strategic plan is to create and deliver higher value to customers, to enable market access for Kenyan produced goods and services.

The plan embraces a heightened passion for exports within the Country to meet the President’s pronouncement to the Nation to work towards the Big 4 Agenda namely Food Security, better housing, Universal healthcare and above all manufacturing sector.

Committees of the Board

The Board has set up the following principal Committees which meet under well-defined terms of reference set by the Board. The Board may, from time to time, rotate Board members between the committees. The Board remains collectively responsible for the decisions and actions taken by any committee. A committee may only perform the tasks delegated to it by the Board and may not exceed the authority or powers of the Board. This is intended to facilitate efficient decision making of the Board in carrying out its duties and responsibilities. An Ad hoc Committee may be established from time to time to handle special business.

Kenya Export Promotion and Branding Agency Board Committees. The Board is required to constitute a maximum of four committees with the Audit Committee being mandatory. The Committees should therefore cover the following functions:

- 1. Governance
- 2. Risk
- 3. Compliance
- 4. Finance
- 5. Technical Matters
- 6. Strategy
- 7. Human Resources

a) Strategy, Marketing, Communication and Quality Assurance Committee

The Committee is responsible for Strategic Plan

development and implementation oversight, Export promotion and Nation Brand Programmes. ISO certification, performance Contracts (PC) development and Implementation and facilitating development of export-oriented enterprises.

The membership of the Committee is comprised as follows:

- 1. Kathleen Kihanya - Chairperson
- 2. Jacqueline Muga -Member
- 3. Mark Bichachi - Member
- 4. Charles Minjire - Member
- 5. Oliver Konje - Member

b) Finance, Human Resource and Administration Committee

The committee is responsible for the Agency’s Financial oversight, internal controls, financial reporting processes, Budget approvals, and resource mobilization. The committee is also tasked with the role of overseeing the establishment of appropriate administrative and human resources policies and spearheading the organizational culture and change management.

The membership of the Committee is comprised as follows:

- 1. Jacqueline Muga-Chairperson
- 2. Kathleen Kihanya-Member
- 3. Oliver Konje-Member
- 4. Leah Baraza-Member
- 5. Charles Minjire-Member



The Committee held (Legal department)

a) Audit and Governance Committee

The Committee is responsible for assisting the Board and Management in fulfilling its oversight role in financial reporting processes, systems of internal control, internal audit process, Governance, risk management and monitoring compliance with laws, regulations, and the code of conduct.

The membership of the Committee is comprised as follows:

- 1. Mark Bichachi-Chairperson
- 2. Kathleen Kihanya-Member
- 3. Oliver Konje-Member
- 4. Ms. Leah Aywah Baraza-Member
- 5. Charles Minjire-Member

CORPORATE SOCIAL RESPONSIBILITY POLICY STATEMENT

The Kenya Export Promotion and Branding Agency (KEPROBA) has embraced the true spirit of Corporate Social Responsibility in its strategic plan of activities. The Agency is committed towards participating in community-based projects that give back to the society. Through our stakeholder engagement activities, we have been able to identify areas of collaboration that give back to society. We recognize that we must integrate our corporate values and services to improve Kenya’s Image and meet the expectations of stakeholders.

Our social, economic, and environmental responsibilities to our stakeholders are integral to the Agency’s focus areas. Through the various activities organized by KEPROBA, we are committed to demonstrate our responsibilities through actions

and within the corporate policies. We are open and honest in communicating our strategies, targets, performance, and governance to our stakeholders in our continual commitment towards creating a sustainable corporate social responsibility.

Kenya Export Promotion and Branding Agency’s corporate social responsibility commitments are built around four categories

✓ Social Sustainability

Corporate Socially Responsibility is increasingly becoming an integral part of business today as it influences the long-term success of any organisation. The Agency is keen to work closely with communities and other stakeholders around us, to empower, create value and better their lives.

Through our CSR programmes, the Agency visited Mama Fatuma’s Children home in December 2020 and through voluntary contributions from Agency staff bought foodstuffs and beddings for the children.



KEPROBA’S visit to Mama Fatuma’s Children Home on 12th December 2020

✓ Environmental Sustainability

Tree Planting is a high priority Government-driven initiative, to implement the Presidential directive and “National Strategy “for achieving and maintaining over 10% Tree Cover by 2022.”

The Agency undertook a tree planting exercise on 26th May 2021 with the overall objective of accelerating actions towards the achievement of Constitutional, Vision 2030 and the Presidential Directives of 10% national tree cover, for environmental integrity and social economic development.

The tree planting activity was carried out in Uplands Forest Station, Limuru area, Lari Sub-County by the Agency staff in collaboration with Kenya Forest Service (KFS) and the Forest Adjacent Community (FAC) where 2 hectares of forest land was adopted, and 2,000 indigenous tree seedlings planted.



KEPROBA staff, Kenya Forest Service Officers, and members of Forest Adjacent Community (FAC) during the tree planting exercise on 26th May 2021.

✓ Economic Sustainability

I. Reserved Tender Opportunities

The Agency reserves 30% of its procurement to the special groups which as per the Public Procurement & Assets and Disposal Act 2015 includes women, youth and People Living with Disabilities (PWDs). These procurement opportunities have created diverse financial benefits for the special groups

as well as enhancing the GDC corporate image and reputation. The Agency will also undertake Procurement Sensitization to these special Groups so that they successfully participate in the tendering process.

II. Small and Medium Enterprises Empowerment

The Agency empowers small and medium enterprises through the Product Development and Branding Programme carried out annually. The programme offers export training to Enterprises in the 47 counties across the country aimed at enhancing the competitiveness of export products through quality product development and value addition to help enlarge Kenya’s supply base of exportable products. Selected enterprises and groups are facilitated to improve the quality of their products, packaging, expand the product range as well as meet regional and international market standards. (Insert product development photo)

III. Supporting Made in Kenya Products

The Agency supports the Buy Kenya - Build Kenya Initiative. The initiative seeks to enhance competitiveness and consumption of locally produced goods and services. The Agency promotes through its social media campaigns. A successful campaign of purchasing made in Kenya goods and services and building confidence in them will create wealth for citizens and for the country.





# CHAPTER 5

## STAKEHOLDER ENGAGEMENT

The Stakeholder Engagement Department was established as a crucial novelty of the newly merged entity and vested with the responsibility of managing the new agency’s stakeholders towards the achievement of the Agency’s mandate.

The attainment of the Agency’s Strategic Goals is largely undertaken through our stakeholders mainly because the Agency plays a facilitative role in export trade and nation branding. It has thus become imperative to seek ways in which to successfully engage stakeholders.

Therefore, the Stakeholder Department in its inaugural year of operation began the process of institutionalising the activities and operations of the department into the Agency’s activities and its mandate. The department undertook the following activities:

- ☑ Stakeholder identification
- ☑ Development of policies and procedures around stakeholder engagement tactics
- ☑ Analysis of issues that run across multiple stakeholders in order to stimulate a conversation around solutions to the issues identified

In the year under review the department activities were geared towards buttressing its operations with the objective of aligning these stakeholders to the mandate of the Agency and its goals. The department thus undertook the following activities: -

- a. Development of the Stakeholder Engagement Policy and Strategy
- b. Participate in stakeholder engagement forums

- c. Organize and undertake webinar forums
- d. Capacity building Agency staff on stakeholder engagement tactics and practices
- e. Undertake a stakeholder’s perception and satisfaction survey
- f. Organize an engagement forum with the National Parliamentary Committee of Industry, Trade and Cooperatives.

The ensuing discussion is a status report on the collaborative frameworks that the Agency has undertaken during the year under review.

### 1. Development of the Stakeholder Engagement Policy and Strategy

The Stakeholder Engagement Policy was developed, reviewed and approved by the management. The policy seeks to aid in the institutionalization of the stakeholder engagement function in the Agency and provide guidance to the staff in their interactions with stakeholders in accordance with the Stakeholder Engagement Standard AA1000 (2015).

### 2. Stakeholder Engagement Forums

The Stakeholder Engagement Department has participated in various forums in various sectors to address constraints facing the exporters fraternity. A notable engagement is the **Fresh Produce Stakeholder Engagement Caucus** that was formed with a working objective of opening up regional blocs in Kenya by addressing logistics bottlenecks in Mombasa, Kisumu and



Eldoret and recently in Isiolo. The members of the caucus include Kenya Export Promotion and Branding Agency (KEPROBA), Fresh Produce Consortium of Kenya (FPC-K), Fresh Produce Exporters Association of Kenya, Kenya Flower Council (KFC), Kenya Airports Authority (KAA), Kenya Airways (KQ), Kenya Plant Health Inspectorate (KEPHIS), Agrochemicals Association of Kenya (AAK), Kenya Ports Authority (KPA), Kenya Railways Corporation (KRC) and Kenya Revenue Authority.

As a result, we now have export of horticulture produce from Mombasa, Kisumu and Eldoret Airports to the international destinations.

3. Webinar Forums

The Department undertook stakeholder sensitization webinars on Expo 2020 Dubai between April and June 2021 and reached out to more than 500 stakeholders in collaboration with the following Business Member Organizations and Associations:- Kenya Association of Manufacturers (KAM); Kenya National Chamber of Commerce and Industry (KNCCI); Kenya Private Sector Alliance (KEPSA); Fresh Produce Exporters Association of Kenya (FPEAK); Fresh Produce Consortium of Kenya (FPC-K); Kenya Flower Council (KFC); Association of Professional Societies in East Africa (APSEA), Pyrethrum Board of Kenya (PBK), Government Ministries, Departments and Agencies (MDAs) and Meat & Meat Products Sector Players. The aim of the webinars was to create awareness of different programmes in the expo and guide stakeholders on how they can participate in the expo activities.

4. Stakeholder Capacity Building

The Department held two capacity building workshops organized by the UNES in collaboration with QCert Limited and trained

the staff from Stakeholder Engagement Department in July 2021. Thereafter, the Stakeholder Engagement Department trained the Agency's leadership and management team on the same.

The objective of the workshop was to build the capacity of staff to understand policies, procedures, tactics, and operations in stakeholder engagement in implementation of their AWP.

5. Stakeholder Perception and Satisfaction Survey

The main objective of the Stakeholder Perception and Satisfaction Survey is to determine the Agency's current level of perception and satisfaction in terms of the services offered to them by the Agency, and their expectations. More specifically the survey sought the following :-

- 1. To determine stakeholders' perception of how well the Agency meets their service expectations and requirements.
- 2. To develop a stakeholder satisfaction index for Kenya Export Promotion and Branding Agency.
- 3. To estimate the current satisfaction level of the KEPROBA stakeholders.
- 4. To make proposals for a suitable stakeholder satisfaction strategy.

The stakeholders targeted for this survey included Government ministries, state corporations and agencies, Business Member Organizations, Suppliers, exporters and exporting enterprises, export value chain players (airline freight, ports); county governments; and the general public.

As a way forward, the survey identified the following recommendations for follow up in the next financial year:-

- Intensify activities to market and position the Kenyan National Brand and Made in Kenya Label;
- Work with other partners to increase use of e-commerce for exports and train/guide exporters on the same;
- Improved in-county presence models and
- Develop a signature CSR activity associated with an export development competition and popularize the Exporter of the Year Award.

6. National Parliamentarian Committee for Trade, Industry and Cooperatives

The Agency scheduled a collaboration retreat with National Members of Parliament Committee for Trade Industry and Cooperatives to discuss areas of concern that will facilitate the Agency to execute its mandate with ease. This was the first direct engagement between the Agency and the Committee. The three-day forum sought to meet the following objectives:

- 1. To appraise members committee about the progress and interventions that the Agency has made in the

development and diversification of export market and products and in the management of the image and reputation of the nation brand.

- 2. To share the challenges faced by the agency.
- 3. To provide members with information on the Agency's funding and budgetary requirements for the current midterm expenditure framework.
- 4. To establish common ground with the committee and by extension the legislative arm of the Government on the funding and budgetary requirements of the Agency.

This engagement led to development of sessional paper on alleviation of constraints in Export Trade system, the bridging of the financing gap for the Expo Dubai 2020. As an Agency we are still collaborating with the committee for further assistance in enhancing our resource base.

7. Status of Engagements

Below is the summary of status of the identified issues among the various trade support Institutions who have been identified as strategic stakeholders and the status of Memorandums of Understanding (MOUs) that the Agency is pursuing with the them:



### 7.1. Analysis of Stakeholder Issues

Issues	Stakeholder	Priority
Market access and capacity building - 1	Dubai Chamber, FPEAK, KEPSA, FPCK, KAM, Vision 2030, FPCK, Sunripe, Nyandarua County, KNCCI	High
Sharing trade information and market research - 2	Dubai Chamber, KNCCI, KFC, KEPSA, FPCK, AFA, KAM	High
Trade Missions and IMC Programmes - 4	Dubai Chamber, KNCCI, FPEAK, KFC, KEPSA, FPCK, AFA, KAM	High
Investment opportunities in export market value chains - 8	Dubai Chamber, KEPSA, FPEAK	High
Jointly implement government bilateral and trade agreements and chamber trade MOU_ 13	KNCCI, KAM, Dubai Chamber of Commerce	High
Export product and market diversification- 18	FPEAK, AFA, KFC, KEPSA	High
Export product competitiveness and value addition- 23	FPCK, AFA, KAM	High



*Courtesy call to Meru County Government*



*Stakeholders visit to Kilimani Dam in Isiolo*



*National Members of Parliament Committee for Trade, Industry and Cooperatives and KEPROBA Staff.*



MEDIA RELATIONS

The Kenya Export Promotion and branding Agency was featured in both print media and digital media in the period ended 30th June 2021. The articles revolved around activities undertaken by the Agency, research support and trade reports between Kenya and other countries.

Press Releases and Planned Interviews: The Agency shared press releases with mainstream media houses on topical issues in the exports sector.

Reported Issues

24/07/2020	<b>The Star</b>  <i>Headline: State to cut down on multiple tourism ministry parastatals</i>  <a href="https://www.the-star.co.ke/business/kenya/2020-07-24-state-to-cut-down-on-multiple-tourism-ministry-parastatals/">https://www.the-star.co.ke/business/kenya/2020-07-24-state-to-cut-down-on-multiple-tourism-ministry-parastatals/</a>	After the Cabinet approved the merger of Export Promotion Council and the Brand Kenya Board to create Kenya Export Promotion and Branding Agency (KEPROBA), other multiple state corporations will come under one entity or be reduced. This is aimed at cutting the public wage bill which therefore means that the ministry of Tourism plans a merger of state agencies with duplicating roles, even after the Principal Secretary Safina Kwekwe defended their existence.
06/09/2020	<b>Business Daily</b>  <i>Headline: Kenya seeks warehouses in China for more sales</i>  <a href="https://www.businessdailyafrica.com/bd/economy/kenya-seeks-warehouses-in-china-for-more-sales-2300520">https://www.businessdailyafrica.com/bd/economy/kenya-seeks-warehouses-in-china-for-more-sales-2300520</a>	Nairobi has asked China to help it secure warehouses to boost greater penetration of Kenya’s fresh produce, including tea and flowers, in the world’s most populous country.  The Kenya Export Promotion and Branding Agency (Keproba), the parastatal tasked with marketing Kenyan goods, says the storage facilities will help ease market entry barriers which have hampered entry into the market that sits at the top of Kenya’s export diversification strategy
23/12/2020	<b>Business Daily</b>  <i>Headline: Crop diversification crucial to boosting exports, says lobby</i>  <a href="https://www.businessdailyafrica.com/bd/markets/commodities/crop-diversification-crucial-exports-says-lobby-3236620">https://www.businessdailyafrica.com/bd/markets/commodities/crop-diversification-crucial-exports-says-lobby-3236620</a>	The Kenya Export Promotion and Branding Agency (Keproba) plans to grow export earnings by expanding Kenya’s offerings and gaining new markets through e-commerce.  Fresh Produce Exporters Association of Kenya (FPEAK) chief executive officer Hosea Machuki said substantial growth cannot be achieved by only relying on traditional exports such as tea, avocado, cut flowers, fish, and cement, which form the country’s main export basket.

26/02/2021	<b>News Ghana</b>  <i>Headline: Women Entrepreneurs in Kenya Can Rely on ITC and KEPROBA’s Support</i>  <a href="https://newsghana.com.gh/women-entrepreneurs-in-kenya-can-rely-on-itc-and-keprobas-support/">https://newsghana.com.gh/women-entrepreneurs-in-kenya-can-rely-on-itc-and-keprobas-support/</a>	On 25 February 2021, ITC, and the Kenya Export Promotion & Brand Agency (KEPROBA) launched the Business Support Organization Directory for women entrepreneurs in Kenya.  In January 2019, ITC carried out a survey among women-owned businesses in the four She Trades Commonwealth target countries of Nigeria, Ghana, Bangladesh, and Kenya, to ascertain women-owned businesses’ awareness of business support organization services.  Feedback from the businesses highlighted key gaps and issues in the business support ecosystem for women entrepreneurs
06/02/2021	<b>The Standard</b>  <i>Headline: Agencies ink deal to grow trade</i>  <a href="https://www.standardmedia.co.ke/business/business/article/2001402490/agencies-ink-deal-to-grow-trade">https://www.standardmedia.co.ke/business/business/article/2001402490/agencies-ink-deal-to-grow-trade</a>	Kenya Export Promotion and Branding Agency has signed a Memorandum of Understanding with Kenya Trade Network Agency (Ken Trade) to boost exports.  The MoU will see the two state agencies partner in enhancing trade, product development and promotion within the export sector.  Speaking during the signing ceremony, KEPROBA CEO Wilfred Marube said the MoU will facilitate Kenyan traders to reach the global market and become exporters.
07/04/2021	<b>Business Daily</b>  <i>Headline: Agency seeks expert in UAE exports push</i>  <a href="https://www.businessdailyafrica.com/bd/markets/market-news/agency-seeks-expert-uae-exports-push-3351612">https://www.businessdailyafrica.com/bd/markets/market-news/agency-seeks-expert-uae-exports-push-3351612</a>	The Kenya Export Promotion and Branding Agency (Keproba) is hiring a consultant to conduct consumer research on local products that have the highest export potential to the United Arab Emirates.  The balance of trade between the two nations heavily favours the United Arab Emirates (UAE), with Kenya mainly exporting tea, spices, goat meat, coffee and fresh cut flowers.



28/05/2021

The Star

Headline: *Burundi a potential export hub for Kenyan products*

<https://www.the-star.co.ke/opinion/star-blogs/2021-05-28-burundi-a-potential-export-hub-for-kenyan-products/>

KEPROBA indicates that the top import products in 2020 included coffee, medical equipment, animal fodder, tea, and mechanical equipment and parts with the top two imports accounting for 91.8 per cent of Kenya's total imports from Burundi in 2020.

Kenya's products with potential to Burundi include food products both processed and preserved, ferrous metals, fertilizers, rubber and plastic, chemicals, paper products, alcoholic beverages, manufactured products, vegetable oils, pharmaceutical products among others.



# CHAPTER 6

REPORTING PRACTICES

## STATEMENT OF DIRECTORS' RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 and section 14 of the State Corporations Act, require the Directors to prepare financial statements in respect of the Agency, which give a true and fair view of the state of affairs of the Agency at the end of the financial year and the operating results of the Agency for that year. The Directors are also required to ensure that the Agency keeps proper accounting records which disclose with reasonable accuracy the financial position of the Agency. The Directors are also responsible for safeguarding the assets of the Agency.

The Directors are responsible for the preparation and presentation of the Agency's financial statements, which give a true and fair view of the state of affairs of the Agency for and as at the end of the financial year ended on June 30, 2021. This responsibility includes:

- (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
- (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Agency;
- (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud;
- (iv) Safeguarding the assets of the Agency;
- (v) Selecting and applying appropriate accounting policies; and
- (vi) Making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for the Agency's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the State Corporations Act. The Directors are of the opinion that the Agency's financial statements give a true and fair view of the state of the Agency's transactions during the financial year ended June 30, 2021, and of the Agency's financial position as at that date.

The Directors further confirm the completeness of the accounting records maintained for the Agency, which have been relied upon in the preparation of the Agency's financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the directors to indicate that the Agency will not remain a going concern for at least the next twelve months from the date of this statement.

### Approval of the Financial Statements

The Agency's financial statements were approved by the Board of Directors on 30<sup>th</sup> September 2021 and signed on its behalf by:



**MR. JASWINDER BEDI, EBS, MBS**  
CHAIRMAN



**DR. WILFRED MARUBE**  
CHIEF EXECUTIVE OFFICER

## STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2021

		2020/2021	2019/2020
Revenue from Non-Exchange Transactions	Notes	KShs	KShs
Transfer from Government Institutions – Recurrent Grants	6	401,600,000	472,800,000
Other Recurrent Grants	7	10,000,000	32,075,234
Deferred Income	8	81,000,000	-
<b>Revenue from Exchange Transactions</b>			
Other Income	9	<u>12,533,043</u>	<u>12,252,200</u>
<b>Total Revenue</b>		<b>505,133,043</b>	<b>517,127,434</b>
<b>Expenses</b>			
Use of Goods and Services	10	287,766,758	254,470,743
Employee Costs	11	217,095,614	215,477,984
Board Expenses	12	14,936,772	11,956,789
Depreciation & Amortization Expenses	13	13,467,918	18,953,050
Repairs and Maintenance	14	2,334,745	1,838,470
<b>Total Expenses</b>		<b>535,601,807</b>	<b>502,697,036</b>
<b>(Deficit)/Surplus for the Year</b>		<b><u>(30,468,764)</u></b>	<b><u>14,430,398</u></b>

The notes set out on pages 66 to 92 form an integral part of these Financial Statements.



**STATEMENT OF FINANCIAL POSITION****AS AT 30 JUNE 2021**

		2019/2020	2020/2021
	Notes	KShs	KShs
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	15	574,537,379	669,082,474
Receivables from Exchange Transactions	16	30,858,831	32,732,665
Receivables from Non-Exchange Transactions	17	150,888,236	26,667,299
		<b>756,284,446</b>	<b>728,482,438</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	18	25,859,035	25,765,923
Intangible Assets	19	3,680,138	4,068,011
		<b>29,539,173</b>	<b>29,833,934</b>
<b>Total Assets</b>		<b>785,823,619</b>	<b>758,316,372</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade Payables from Exchange Transactions	20	66,690,177	26,895,966
Payables from Non-Exchange Transactions	21	202,160,014	181,368,420
Current Provisions	22	8,900,346	11,510,140
<b>Total Liabilities</b>		<b>277,750,537</b>	<b>219,774,527</b>
<b>Net Assets</b>		<b>508,073,082</b>	<b>538,541,845</b>
<b>Reserves</b>	25	<b>508,073,082</b>	<b>538,541,845</b>

The Financial Statements set out on pages 1 to 43 were signed on behalf of the Board of Directors by:


**CPA Albanus Mumo**

Manager, Fin &amp; Accounts

Date 30/09/2021


**Dr. Wilfred Marube**

Chief Executive Officer

Date 30/09/2021


**Mr. Jaswinder Bedi, EBS, MBS**

Chairman ICPAK Member No. 7968

Date 30/09/2021

**STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2021**

<b>Reserves</b>			
	<b>General Reserve</b>	<b>Revaluation Reserve</b>	<b>Total</b>
	<b>KShs</b>	<b>KShs</b>	<b>KShs</b>
<b>Balance as at July 1, 2019</b>	<b>514,713,949</b>	<b>9,397,500</b>	<b>524,111,449</b>
Surplus for the Year	14,430,398		14,430,398
<b>Balance as at June 30, 2020</b>	<b>529,144,347</b>	<b>9,397,500.00</b>	<b>538,541,847</b>
Deficit for the Year	(30,468,764)		(30,468,764)
<b>Balance as at June 30, 2021</b>	<b>498,675,582</b>	<b>9,397,500.00</b>	<b>508,073,082</b>

The total reserves include capital replacement reserve (Sinking Fund) which was KShs. 27,771,502 at the end of the financial year.

Revaluation reserve represents an increase in carrying value after revaluation of motor vehicles done on 10<sup>th</sup> August 2016.



**1. STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 30 JUNE 2021**

	<b>JUNE 2021</b>	<b>JUNE 2020</b>
<b>(Deficit)/Surplus for the year</b>	<b>(30,468,764)</b>	<b>14,430,398</b>
<b>Adjustments for: -</b>		
Depreciation of Property Plant and Equipment	11,339,766	16,949,511
Amortisation	2,128,152	2,003,539
<b>Operating (Deficit)/Surplus before working capital changes</b>	<b>(17,000,846)</b>	<b>33,383,448</b>
Increase in Accounts Receivables	(122,347,101)	(6,749,317)
Increase in Accounts Payables	57,976,010	43,001,502
<b>Net Cash flows utilized in operating activities</b>	<b>(81,371,937)</b>	<b>69,635,633</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property & equipment and Intangible Assets	(13,173,158)	(987,255)
<b>Net cash flows utilized in investing activities</b>	<b>(13,173,158)</b>	<b>(987,255)</b>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(94,545,095)</b>	<b>68,648,378</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>669,082,474</b>	<b>600,434,096</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>574,537,379</b>	<b>669,082,474</b>

**2. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS****FOR THE YEAR ENDED 30 JUNE 2021**

<b>No.</b>	<b>Details</b>	<b>Original Budget</b>	<b>Adjustments</b>	<b>Final Budget</b>	<b>Actual on Comparable Basis</b>	<b>Performance Difference</b>	<b>% Utilization</b>
<b>1.00</b>	<b>Revenue</b>						
<b>1.10</b>	Transfer from Government Institutions - GOK Recurrent Grants	401,600,000	100,000,000	501,600,000	501,600,000	0	100%
<b>1.20</b>	Development Partners - Recurrent Grants	10,000,000	20,000,000	30,000,000	10,000,000	(20,000,000)	33%
<b>1.30</b>	Deferred Funds/ Rolled Over Funds	374,849,019		374,849,019	374,849,019	0	100%
<b>1.40</b>	Sinking Fund	0	26,197,132	26,197,132	26,197,132	0	100%
<b>1.50</b>	A-in-A - Bank Interest	15,000,000		15,000,000	12,533,043	(2,466,957)	84%
	<b>Total Income</b>	<b>801,449,019</b>	<b>146,197,132</b>	<b>947,646,151</b>	<b>925,179,194</b>	<b>(22,466,957)</b>	<b>98%</b>
<b>2.00</b>	<b>Expenses</b>						
<b>2.10</b>	Use of Goods & Services - Admin Expenses	154,722,269	0	154,722,269	154,930,589	(208,320)	100%
<b>2.20</b>	Use of Goods & Services - Other Operating Expenses (Core Mandate Programmes)	291,091,591	147,501,132	438,592,723	132,836,167	305,756,556	30%
<b>2.30</b>	Employee Costs	322,625,159	-6,304,000	316,321,159	217,095,614	99,225,545	69%
<b>2.40</b>	Board Expenses	20,010,000	-2,000,000	18,010,000	14,936,772	3,073,228	83%
<b>2.50</b>	Depreciation & Amortization	7,000,000	7,000,000	14,000,000	13,467,918	532,082	96%
<b>2.60</b>	Repairs & Maintenance	6,000,000		6,000,000	2,334,745	3,665,255	39%
<b>2.70</b>	<b>Total Expenditure</b>	<b>801,449,019</b>	<b>146,197,132</b>	<b>947,646,151</b>	<b>535,601,805</b>	<b>412,044,346</b>	<b>57%</b>
<b>3.00</b>	<b>Surplus for the Period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>389,577,389</b>	<b>(389,577,389)</b>	



NOTES TO THE STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

The Annual Budgets are prepared on Cash basis accounting. Actual GOK grants received in the year ended 30<sup>th</sup> June ,2021 is **KShs. 502.6M**, Other Donors **COMESA RIIP Program 10M**, Deferred Fund KShs. **374.8** and Cost Recoveries of **KShs. 12.5M**.

1.0 Revenues

1.2 Development Partners - Recurrent Grants

The variance of **KShs (20M)** is attributed to Planned donors support which did not materialise during the financial year 2020/2021.

1.5 A-in-A - Bank Interest

The variance of **KShs. (2.5)** is attributed to the Covid-19 pandemic which has led to postponement of planned Exposition, Trade fairs & exhibitions and other programmes earmarked for generation of A in A.

2.0 Expenses

2.2 Use of Goods & Services - Other Operating Expenses (Core Mandate Programmes)

The variance of **KShs. 305.8M** is attributed to the Covid-19 pandemic which has led to postponement of planned Exposition, Trade fairs & exhibitions and other programmes involving physical congregation. The activities have been deferred to Financial Year 2021/2022.

2.3 Employee Costs

Staff Costs variance of **KShs (99.2M)** is due to staff natural attrition in the year.

2.4 Directors Expenses

The variance of **KShs. 3M** is attributed to the Covid-19 pandemic which led to postponement of planned physical board activities as from March 2020.

2.6 Repairs & Maintenance

Repairs & Maintenance variance of **KShs. 3.7M** is due to postponement of planned activities deferred to Financial Year 2021/2022.

3. NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Kenya Export Promotion and Branding Agency (KEPROBA) is a state corporation under the State Department for Trade and Enterprise Development in the Ministry of Industrialization, Trade and Enterprise Development which was established under the State Corporations Act Cap 446 by the Kenya Export Promotion and Branding Agency Order, 2019 Legal Notice No. 110 of 9th August 2019 after the merger of the former Export Promotion Council and Brand Kenya Board.

The Agency’s principal activities are implementing export development and promotion activities

through providing export assistance to promote Kenyan goods and services globally, distributing trade related and international export standards information and carrying out export market research. The Agency is also mandated to manage the Kenya Nation Brand and country’s image through coordinating Nation Branding initiatives and Trade fairs, providing branding guidelines for Kenya Missions Abroad, marketing and providing positive information about Kenya and its products.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The Agency’s financial statements have been prepared on a historical cost basis except for the measurement at revalued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the Agency’s accounting policies. The areas involving a higher degree of judgement or

complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in note 4.

The financial statements have been prepared and presented in Kenya shillings, which is the functional and reporting currency of the Agency.

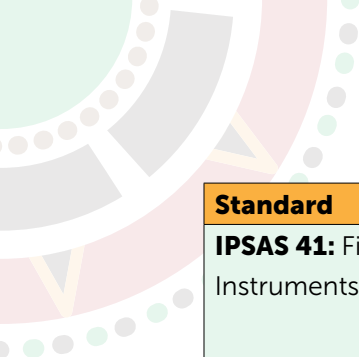
The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, Kenya Export Promotion and Branding Agency Order No. 110 of 9<sup>th</sup> August 2019 and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. ADOPTION OF NEW AND REVISED STANDARDS

i. New and amended standards and interpretations in issue effective in the year ended 30 June 2021.

Standard	Impact
Other Improvements to IPSAS.	<b>Applicable: 1<sup>st</sup> January 2021</b>  a) Amendments to IPSAS 13, to include the appropriate references to IPSAS on impairment, in place of the current references to other international and/or national accounting frameworks.  b) IPSAS 13, Leases and IPSAS 17, Property, Plant and Equipment. Amendments to remove transitional provisions which should have been deleted when IPSAS 33, First Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs) was approved.  c) IPSAS 21, Impairment of Non-Cash Generating Assets and IPSAS 26, Impairment of Cash Generating Assets. Amendments to ensure consistency of impairment guidance to account for revalued assets in the scope of IPSAS 17, Property, Plant and Equipment and IPSAS 31, Intangible Assets.  d) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs). Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard.

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2021.



Standard	Effective Date and Impact
<b>IPSAS 41:</b> Financial Instruments	<b>Applicable: 1<sup>st</sup> January 2023</b>  The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of amounts, timing and uncertainty of an entity’s future cash flows.  IPSAS 41 provides users of financial statements with more useful information than IPSAS 29 by: <ul style="list-style-type: none"><li>▶ Applying a single classification and measurement model for financial assets that considers the characteristics of the asset’s cash flows and the objective for which the asset is held;</li><li>▶ Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and</li><li>▶ Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity’s risk management strategies and the accounting treatment for the instruments held as part of the risk management strategy.</li></ul>
<b>IPSAS 42:</b> Social Benefits.	<b>Applicable: 1<sup>st</sup> January 2023</b>  The objective of this standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of financial statements and general-purpose financial reports assess: <ul style="list-style-type: none"><li>a) The nature of such social benefits provided by the entity;</li><li>b) The key features of the operation of those social benefit schemes; and</li><li>c) The impact of such social benefits provided on the entity’s financial performance, financial position and cash flows.</li></ul>

Amendments to other IPSAS resulting from IPSAS 41, Financial Instruments	<b>Applicable: 1<sup>st</sup> January 2023</b> <ul style="list-style-type: none"><li>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</li><li>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</li><li>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</li><li>d) Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</li></ul>
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iii. Early Adoption of Standards

The Agency did not early-adopt any new or amended standards in year 2020/2021.





4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue Recognition

i) Revenue from Non-Exchange Transactions

Transfers from Other Government Entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the Agency and can be measured reliably. Recurrent grants are recognized in the statement of comprehensive income. Development/capital grants are recognized in the statement of financial position and realized in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds.

Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the Board and the fair value of the asset can be measured reliably.

ii) Revenue from Exchange Transactions

Rendering of Services

The Agency recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours.

Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent

that the expenses incurred are recoverable.

Sale of Goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably and it is probable that the economic benefits or service potential associated with the transaction will flow to the Agency.

Interest Income

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

b) Budget Information

The original budget for FY 2020/2021 was approved by the National Assembly on 25<sup>th</sup> June 2020 and assented by the H.E. The President on 30th June 2020, Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Agency recorded additional appropriations of KShs.146,197,132 on the 2020/2021 budget following the board's approval.

The Agency's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a

classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section 17 of these financial statements.

c) Taxes

Current Income Tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the area where the Agency operates and generates taxable income. Current income tax relating to items recognized directly in net assets is recognized in net assets and not in the statement of financial performance. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

d) Property, Plant and Equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major replacement is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

Revaluation will be done every five years and assets stated at valuation less accumulated depreciation and impairment losses. Any accumulated depreciation will be eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset. Decreases that offset previous increases of same assets will be charged against the revaluation reserve. Increase in carrying amount on revaluation will be credited to a revaluation reserve in the accumulated fund. The carrying amount of replaced asset will be derecognized.

Depreciation is calculated on the straight-line basis at annual rates to write off the cost of assets over their estimated useful lives by equal annual installments at the following rates;

- a) Motor Vehicles .....25%
- b) Office Equipment .....12.5%
- c) Furniture & Fittings.....12.5%
- d) Computers .....33.33%

**e) Leases**

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Agency. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

**f) Intangible Assets**

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred.

The useful life of the intangible assets is assessed as either finite or indefinite. Amortization is calculated on a straight-line basis at 33.33% per annum.

**g) Research and Development Costs**

The Agency expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Agency can demonstrate:

- i) The technical feasibility of completing the asset so that the asset will be available for use or sale.
- ii) Its intention to complete and its ability to use or sell the asset;
- iii) How the asset will generate future economic benefits or service potential;
- iv) The availability of resources to complete the

asset; and

- v) The ability to measure reliably the expenditure during development.

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

**h) Financial Instruments**

*i) Financial Assets*

**Initial Recognition and Measurement**

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Agency determines the classification of its financial assets at initial recognition.

**Loans and Receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising

from impairment are recognized in the surplus or deficit.

**Held-to-Maturity**

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Agency has the positive intention and ability to hold it to maturity. After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognized in surplus or deficit.

**Impairment of Financial Assets**

The Agency assesses at each reporting date whether there is objective evidence that a financial asset or a part of financial assets is impaired. A financial asset or a part of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the entity of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

- ▶ The debtors or a part of debtors are experiencing significant financial difficulty;
- ▶ Default or delinquency in interest or principal payments;
- ▶ The probability that debtors will enter bankruptcy or other financial reorganization; and
- ▶ Observable data indicates a measurable decrease in estimated future cash flows (e.g., changes in arrears or economic

conditions that correlate with defaults).

*ii) Financial Liabilities*

**Initial Recognition and Measurement**

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Agency determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

**Loans and Borrowing**

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

**i) Provisions**

Provisions are recognized when the Agency has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Agency expects some or all of a provision



to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

**j) Contingent Liabilities**

The Agency does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

**k) Contingent Assets**

The Agency does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Agency in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

**l) Nature and Purpose of Reserves**

The Agency creates and maintains reserves in terms of specific requirements.

*ii) Retained Earnings*

This is the portion of net income of the Agency that is retained by the corporation. If the Agency incurs a loss, then that loss reduces the corporation's retained earnings balance.

*ii) Revaluation Reserve*

This represents surplus on revaluation of property, plant and equipment. Three motor vehicles that had been fully depreciated were revalued in a previous financial year to reflect their current market value.

*iii) Capital Reserve (Sinking Fund)*

The Agency makes provision for the renewal of depreciating assets by maintaining a sinking fund with balances sufficient to replace the assets on a need basis.

**m) Changes in Accounting Policies and Estimates**

The Agency recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

**n) Employee Benefits**

*i) Retirement Benefit Plans*

The Agency provides retirement benefits for its employees. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund), and will have no legal or constructive obligation to pay further

contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

The Agency currently contributes to a defined contribution pension scheme at the rate of 20% of basic pay and to the National Social Security Fund (NSSF) as provided in the relevant statute.

**Employee Entitlements**

The estimated monetary liability for accrued employee annual leave entitlement at the statement of financial position reporting date is recognized as an expense in the statement of financial performance and accrued in the statement of financial position. Employee's entitlement to gratuity are recognized when they accrue and a provision for the liability is made in the statement of financial position.

**o) Foreign Currency Transactions**

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

**p) Related Parties**

The Agency regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Agency, or vice versa. Members of key management are regarded as related parties and comprise the directors, CEO and senior managers.

**q) Cash and Cash Equivalents**

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Kenya Commercial Bank and Housing Finance Limited at the end of the financial year.

**r) Comparative Figures**

Where necessary comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation.

**s) Subsequent Events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2021.

**5. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY**



The preparation of the Agency's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

### *i) Estimates and Assumptions*

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Agency based its assumptions and estimates on parameters available when the financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Agency. Such changes are reflected in the assumptions when they occur (IPSAS 1.140).

### *ii) Useful Lives and Residual Values*

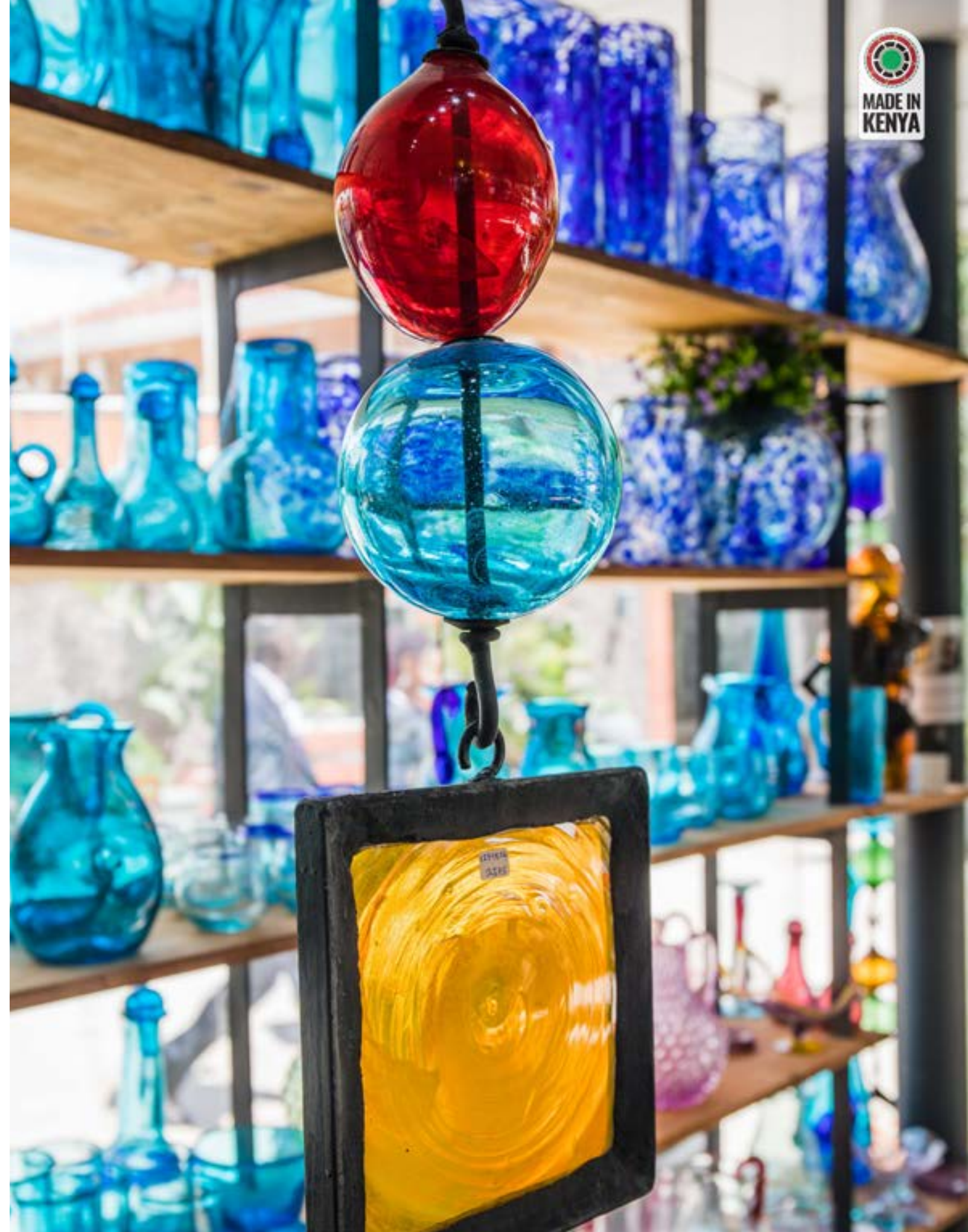
The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

- ▶ The condition of the asset based on the assessment of experts employed by the Agency;
- ▶ The nature of the asset, its susceptibility and adaptability to changes in technology and processes;
- ▶ The nature of the processes in which the asset is deployed;
- ▶ Availability of funding to replace the asset; and
- ▶ Changes in the market in relation to the asset.

### *iii) Provisions*

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 22.

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.





## 6. Revenue

### Transfer from Ministries, Departments and Agencies

Name of Entity Sending the Grant	Amount recognized to the Statement of Comprehensive Income	Amount deferred under deferred Income	Amount recognized in capital fund	Total grant income during the FY 2020/2021	FY 2019/2020
	KShs	KShs	KShs	KShs	KShs
State Department for Tourism	-	-	-	-	140,000,000
State Department for Trade & Enterprise Development	501,600,000	-	-	501,600,000	413,800,000
<b>Sub-Total</b>	<b>501,600,000</b>	<b>-</b>	<b>-</b>	<b>501,600,000</b>	<b>553,800,000</b>
<b>Less Deferred Funds (Expo 2020 Dubai)</b>	<b>(100,000,000)</b>	<b>-</b>	<b>-</b>	<b>(100,000,000)</b>	<b>(81,000,000)</b>
<b>Total</b>	<b>401,600,000</b>	<b>-</b>	<b>-</b>	<b>401,600,000</b>	<b>472,800,000</b>

## 7. Other Donor Recurrent Grants

Description	2020/2021	2019/2020
	KShs	KShs
COMESA RIIP	10,000,000	10,000,000
The Peoples Republic of China	-	22,075,234
<b>Total</b>	<b>10,000,000</b>	<b>32,075,234</b>

## 8. Deferred Income

Description	2020/2021	2019/2020
	KShs	KShs
Funds carried forward from the previous FY	81,000,000	-
<b>Total</b>	<b>81,000,000</b>	<b>-</b>

## 9. Other Income

Description	2020/2021	2019/2020
	KShs	KShs
Bank Interest Income	12,533,043	11,667,200
Revenue from provision of service	-	585,000
<b>Total</b>	<b>12,533,043</b>	<b>12,252,200</b>

	USE OF GOODS AND SERVICES	2020/2021	2019/2020
		KShs	KShs
<b>10.</b>	<b>(a) ADMINISTRATIVE EXPENSES</b>		
	Office Rent and Service Charge	42,706,075	42,708,237
	Travelling Expenses	3,515,019	10,458,534
	Medical Insurance Expenses	35,349,823	29,619,923
	Recruitment and Training	21,637,091	11,790,972
	Telephone	963,684	1,099,871
	Printing and Stationery	1,847,992	2,502,183
	Motor Vehicle Expenses	4,762,099	3,903,640
	General Insurance	1,235,420	2,532,217
	Postal and Internet Expenses	2,073,732	5,105,693
	Legal and Professional Fees	1,790,908	1,620,532
	Professional Membership Subscriptions	-	113,055
	Newspapers and Magazines	142,350	251,382
	External Auditors' Fees	348,000	970,000
	Club Subscriptions	3,591,275	4,244,785
	Entertainment Expenses	271,545	297,471
	Catering Expenses	2,503,576	2,909,291
	Cleaning Services	1,678,892	1,757,335
	Internal Audit	90,915	109,040
	Advertising	2,496,013	140,294
	Staff Induction and Merger Expenses	13,443,663	9,124,371
	Database Development	5,150,748	-
	Computer Software Upgrade	681,929	-
	Computer Licenses	4,499,424	-
	Registry/Library Expenses	335,400	-
	Corporate Social Responsibility	314,962	-
	Covid -19 Expenses	1,390,353	-
	Procurement Costs	844,038	-
	Finance and Budgeting	49,200	-
	Office Relocation costs	777,600	-

	USE OF GOODS AND SERVICES	KShs	KShs
	Bank charges	438,865	624,853
	<b>Sub-Total</b>	<b>154,930,589</b>	<b>131,883,678</b>
	<b>(b) OTHER OPERATING EXPENSES</b>		
	Expo expenses	25,378,813	40,223,480
	Fairs and exhibitions	25,294,326	20,998,319
	Trade promotion, Export Research, and publicity	17,386,672	21,472,892
	Kenya Trade Week & KEYA Awards and Advertising	-	8,397,185
	Nation Brand Development, Marketing and Communication	40,575,089	22,003,287
	ISO Certification	1,158,480	58,000
	Performance Contracting Expenses	432,000	329,570
	CBIK Expenses	1,925,820	3,053,592
	Stakeholders Management	10,669,846	-
	Strategic Plan Development, Evaluation & Review	10,015,124	6,050,740
	Provision for Doubtful Debt	-	4,548,870
	<b>Sub-Total</b>	<b>132,836,169</b>	<b>122,587,065</b>
	<b>Total</b>	<b>287,766,758</b>	<b>254,470,743</b>
<b>11.</b>	<b>EMPLOYEE COSTS</b>		
	Basic Pay	120,847,851	111,237,235
	Other Remunerative Allowances	50,631,096	57,795,326
	Other Personnel Costs	1,169,297	6,725,230
	Leave Allowance	2,934,169	2,300,377
	Staff Welfare Costs	2,046,898	2,816,412
	Casual, Internship & Industrial Attachment Costs	100,000	2,505,066
	Pension Costs	13,186,990	15,330,443
	Gratuity Costs	18,490,685	12,003,909
	Staff Telephone Allowance	5,864,679	4,747,317
	Provision for Accrued Leave	-	(1,372,606)
	Group Life Insurance	1,606,950	1,262,674
	Social Security Costs	217,000	126,600
	<b>Total</b>	<b>217,095,615</b>	<b>215,477,984</b>

	USE OF GOODS AND SERVICES	KShs	KShs
<b>12.</b>	<b>BOARD EXPENSES</b>		
	Chairman's Honoraria and Telephone Allowance	1,054,853	912,194
	Board Sitting Allowances	11,573,599	7,621,100
	Travel, Accommodation and Other Expenses	2,308,320	3,423,495
	<b>Total</b>	<b>14,936,772</b>	<b>11,956,789</b>
<b>13.</b>	<b>Depreciation and Amortization</b>		
	Depreciation of Property, Plant and Equipment	11,339,766	16,949,511
	Amortisation of Intangible Assets	2,128,152	2,003,539
	<b>Total</b>	<b>13,467,918</b>	<b>18,953,050</b>
<b>14.</b>	<b>Repairs and Maintenance</b>		
	Repairs and Maintenance – Office Equipment		763,120
	Repairs and Maintenance – Furniture & Fittings	2,334,745	275,734
	Repairs and Maintenance - Computers		799,616
	Repairs and Maintenance - software		
	<b>Sub total</b>	<b>2,334,745</b>	<b>1,838,470</b>





NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15. Cash and Cash Equivalents

Description	2020/2021	2019/2020
	KShs	KShs
Investment in Call Deposit	797,891	797,891
Bank and Cash Balances	573,739,488	668,284,583
<b>Total</b>	<b>574,537,379</b>	<b>669,082,474</b>

15 (a) Detailed Analysis of the Cash and Cash Equivalents

Financial Institution	Account Number	2020/2021	2019/2020
		KShs	KShs
(a) Kenya Commercial Bank (Brand Kenya Board)	1110627041	498,303,038	485,777,486.70
(b) Kenya Commercial Bank (Main)	1104822008	63,152,647	177,515,946.04
(c) Kenya Commercial Bank (CBIK)	1104823411	5,568,192	121,375.25
(d) Kenya Commercial Bank (Participation)	1104715384	747,173	754,070.27
(e) Kenya Commercial Bank (DANIDA)	1104823934	5,818,373	3,990,503.96
(f) Kenya Commercial Bank (Dollar)	1129327957	15,905	18,472.63
(g) Kenya Commercial Bank (Euro)	1129328007	18,456	21,025.70
(h) Housing Finance- Call Deposit Account	SD 200-0001013	797,891	797,891.01
(i) Cash in Hand (Petty Cash)	-	115,704	85,702
<b>Total</b>		<b>574,537,379</b>	<b>669,082,474</b>

The cash is held in Kenya Commercial Bank, University Way & Capital Hill Branches and Housing Finance Company and includes KShs. 27,771,502 being the balance of the capital replacement reserve (sinking fund).

16. Receivables from Exchange Transactions

Description	2020/2021	2019/2020
	KShs	KShs
State Department of Trade	4,548,870	4,548,870
Prepayments	26,309,961	28,183,795
<b>Total</b>	<b>30,858,831</b>	<b>32,732,665</b>



17. Receivables from Non-Exchange Transactions

Description	2020/2021	2019/2020
	KShs	KShs
Travel Imprest & Other Advances	17,192,130	2,370,103
Staff Car Loans	33,696,106	24,297,196
Supplementary GoK Grant Receivable	100,000,000	-
<b>Total</b>	<b>150,888,236</b>	<b>26,667,299</b>

18. Property, Plant & Equipment

	Office Equipment	Computers	Furniture & Fittings	Motor Vehicles	Total
<b>Cost/Valuation</b>	<b>KShs</b>	<b>KShs</b>	<b>KShs</b>	<b>KShs</b>	<b>KShs</b>
As at 1 July 2019	<b>34,501,899</b>	<b>63,838,509</b>	<b>48,713,313</b>	<b>79,677,842</b>	<b>226,731,562</b>
Additions	30,000	957,255	-	-	987,255
Disposals	-	-	-	-	-
<b>At 30 June 2020</b>	<b>34,531,899</b>	<b>64,795,764</b>	<b>48,713,313</b>	<b>79,677,842</b>	<b>227,718,817</b>
Additions	5,312,078	5,602,920	517,880	-	11,432,878
<b>At 30 June 2021</b>	<b>39,843,977</b>	<b>70,398,684</b>	<b>49,231,193</b>	<b>79,677,842</b>	<b>239,151,695</b>
<b>Depreciation</b>					
At 1 July 2019	<b>27,508,183</b>	<b>50,566,521</b>	<b>41,237,298</b>	<b>65,691,380</b>	<b>185,003,381</b>
Depreciation	1,708,795	5,442,402	1,607,416	8,190,901	16,949,513
Disposals	-	-	-	-	-
<b>At 30 June 2020</b>	<b>29,216,977</b>	<b>56,008,923</b>	<b>42,844,714</b>	<b>73,882,281</b>	<b>201,952,894</b>
Depreciation	1,895,514	5,301,626	1,366,751	2,775,875	11,339,766
<b>At 30 June 2021</b>	<b>31,112,491</b>	<b>61,310,549</b>	<b>44,211,465</b>	<b>76,658,156</b>	<b>213,292,660</b>
<b>Net Book Values</b>					
<b>At 30 June 2021</b>	<b>8,731,486</b>	<b>9,088,135</b>	<b>5,019,728</b>	<b>3,019,686</b>	<b>25,859,035</b>
<b>At 30 June 2020</b>	<b>5,314,921</b>	<b>8,786,841</b>	<b>5,868,599</b>	<b>5,795,561</b>	<b>25,765,923</b>

The Agency has software that cost KShs. 24,735,295 which is has net book value of KShs. 3,680,139.

## 19. Intangible Assets - Software

Description	2020/2021	2019/2020
	KShs	KShs
<b>Cost</b>		
At Beginning of the Year	22,995,014	22,995,015
Additions	1,740,280	-
<b>At the End of the Year</b>	<b>24,735,294</b>	<b>22,995,015</b>
<b>Amortization</b>		
At Beginning of the Year	18,927,004	16,923,465
Additions	2,128,152	2,003,539
<b>At the End of the Year</b>	<b>21,055,156</b>	<b>18,927,004</b>
<b>NBV</b>	<b>3,680,138</b>	<b>4,068,011</b>

## 20. Trade and Other Payables from Exchange Transactions

Description	2020/2021	2019/2020
	KShs	KShs
Trade Payables	66,690,177	26,895,966
<b>Total</b>	<b>66,690,177</b>	<b>26,895,966</b>

## 21. Payables from Non-Exchange Transactions

Description	2020/2021	2019/2020
	KShs	KShs
Payroll Liabilities	515,739	(332,424)
Deferred Income	100,000,000	81,000,000
Staff Car Loan & Mortgage Scheme	101,644,275	100,700,844
<b>Total</b>	<b>202,160,014</b>	<b>181,368,420</b>



## 22. Current Provisions

Description	2020/2021	2019/2020
	KShs	KShs
Current Provisions (Leave)	4,562,621	4,562,620
Provision for Staff Gratuity	4,337,725	6,947,520
<b>Total</b>	<b>8,900,346</b>	<b>11,510,140</b>

## 23. Deferred Income

Description	2020/2021	2019/2020
	KShs	KShs
National Government	100,000,000	81,000,000
International Funders	-	-
Public Contributions and Donations	-	-
<b>Total Deferred Income</b>	<b>100,000,000</b>	<b>81,000,000</b>

The deferred income movement is as follow:

	National Government	International Funders	Public Contributions & Donations	Total
	KShs	KShs	KShs	KShs
<b>Balance Brought Forward</b>	81,000,000	-	-	81,000,000
Additions	100,000,000	-	-	100,000,000
Transfer to Capital Fund	-	-	-	-
Transfer to Income Statement	(81,000,000)	-	-	(81,000,000)
Other Transfers	-	-	-	-
<b>Balance Carried Forward</b>	<b>100,000,000</b>	<b>-</b>	<b>-</b>	<b>100,000,000</b>

## 24. Cash Generated from Operations

	2020/2021	2019/2020
	KShs	KShs
(Deficit)/Surplus for the Year Before Tax	(30,468,764)	14,430,668
<b>Adjusted for:</b>		
Depreciation	11,339,766	16,949,511
Amortization	2,128,152	2,003,539
<b>Working Capital Adjustments</b>		
Increase in Receivables	(122,347,101)	(6,749,317)
Increase in Payables	57,976,010	43,001,502
<b>Net Cash Flow from Operating Activities</b>	<b>(81,371,937)</b>	<b>69,635,633</b>



## 25. Reserves

Description	General Fund	Revaluation Reserve	Total Reserves
	KShs	KShs	KShs
Balance Brought Forward 1 <sup>st</sup> July 2019	514,713,949	9,397,500	524,111,449
Surplus for the year 2019/2020	14,430,398	-	14,430,398
Balance as at 30 <sup>th</sup> June 2020	529,144,347	9,397,500	538,541,847
Deficit for the year 2020/2021	(30,468,764)	-	(30,468,764)
<b>Total</b>	<b>498,675,583</b>	<b>9,397,500</b>	<b>508,073,082</b>

### i) Credit Risk

## 26. Financial Risk Management

The Agency's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Agency's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimize the potential adverse effects of such risks on its performance by setting acceptable levels of risk. The Agency does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history.

The Agency's financial risk management objectives and policies are detailed below;

The Agency has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments.

Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal and external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net allowances for doubtful receivables, estimated by the Agency's management based on prior experience and their assessment of the current economic environment.

The carrying amount of financial assets recorded in the financial statements representing the Agency's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows;

	Total Amount	Fully Performing	Past Due	Impaired
	KShs	KShs	KShs	KShs
<b>At 30 June 2021</b>				
Receivables from Exchange Transactions	30,858,831	30,858,831	-	-
Receivables from Non-Exchange Transactions	150,888,236	150,888,236	-	-
Bank Balances	574,537,379	574,537,379	-	-
<b>Total</b>	<b>756,284,446</b>	<b>756,284,446</b>	-	-
<b>At 30 June 2020</b>				
Receivables from Exchange Transactions	32,732,665	32,732,665	-	-
Receivables from Non-Exchange Transactions	26,667,299	26,667,299	-	-
Bank Balances	669,082,474	669,082,474	-	-
<b>Total</b>	<b>728,482,438</b>	<b>728,482,438</b>	-	-

The customers under the fully performing category are paying their debts as they continue operating. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the Agency has recognized in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

The Board of Directors sets the Agency's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

### ii) Liquidity Risk Management

Ultimate responsibility for liquidity risk management rests with the Agency's directors who have built an appropriate liquidity risk management framework for the management of the Agency's short, medium and long-term funding and liquidity management requirements. The Agency manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

The table below represents cash flows payable by the Agency under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 Month	Between 1 – 3 Months	Over 3 Months	Total
At 30 June 2021	KShs	KShs	KShs	KShs
Trade Payables	66,690,177	-	-	66,690,177
Employee Benefit Obligations	8,900,346	-	-	8,900,346
<b>Total</b>	<b>75,590,523</b>	<b>-</b>	<b>-</b>	<b>75,590,523</b>
At 30 June 2020				
Trade Payables	26,895,966	-	-	26,895,966
Employee Benefit Obligations	11,510,140	-	-	11,510,140
<b>Total</b>	<b>38,406,106</b>	<b>-</b>	<b>-</b>	<b>38,406,106</b>

### iii) Market Risk

The Agency has put in place an internal audit function to assist it in assessing the risk faced by the entity on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls.

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the Board's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. Overall responsibility for managing market risk rest with the Audit and risk Management Committee.

The Agency's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies. There has been no change to the Agency's exposure to market risks or the manner in which it manages and measures the risk.

#### a) Foreign Currency Risk

The Agency has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate.

#### b) Interest Rate Risk

Interest rate risk is the risk that the Agency's financial condition may be adversely affected as a result of changes in interest rate levels. The Agency's interest rate risk arises from the bank deposits. This exposes the Agency to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the Agency's deposits.

To manage the interest rate risk, management has endeavoured to bank with institutions that offer favourable interest rates.

#### Fair Value of Financial Assets and Liabilities

#### Financial Instruments Measured at Fair Value

IPSAS 30 specifies a hierarchy of valuation techniques based on whether the inputs to

those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Agency's market assumptions.

The Agency does not hold any financial instruments hence no disclosure of fair values of financial instruments not measured at fair value has been made.

### i) Capital Risk Management

The objective of the Agency's capital risk management is to safeguard the Agency's ability to continue as a going concern. The Agency's capital structure comprises of general fund and revaluation reserve as follows;

Description	2020/2021	2019/2020
	KShs	KShs
General Fund	498,675,855	529,144,347
Revaluation Reserve	9,397,500	9,397,500
<b>Total Funds</b>	<b>508,073,355</b>	<b>538,541,847</b>
Total Borrowings	-	-
Less: Cash and Bank Balances	574,537,379	669,082,474
Net Debt (Excess Cash and Cash Equivalents)	574,537,379	669,082,474
<b>Gearing</b>	<b>-</b>	<b>-</b>

## 27. Related Party Balances

### Nature of Related Party Relationships

Entities and other parties related to the Agency include those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include management personnel, their associates and close family members.

### Government of Kenya

The Agency is a state corporation fully owned by the Government of Kenya under the Ministry of Industrialization, Trade and Enterprise Development. The Agency received recurrent grants of Kshs.501,600,000 from the National Treasury through the State Department for Trade and Enterprise Development.

	2020/2021	2019/2020
Transactions with related parties	KShs	KShs
(a) <b>Grants from the Government</b>		
Grants from National Government	501,600,000	553,800,000
(b) <b>Key Management Compensation</b>		
Directors Emoluments & Other Expenses	14,936,772	11,956,789
Compensation to Key Management	100,678,821	77,965,266
<b>Total</b>	<b>115,615,593</b>	<b>89,922,055</b>





28. Events after the Reporting Period

There were no material adjusting and non-adjusting events after the reporting period.

29. Currency

The financial statements are presented in Kenya Shillings (KShs).

30. Contingent Liabilities

The Agency has two ongoing litigations by former employees. One case is by a former Brand Kenya Board employee (Industrial case no. 1441 of 2014) for work injury and other claims for a total of KShs. 7,455,496. The other case is by former Brand Kenya Board Chief Executive Officer for alleged wrongful dismissal. The outcome of the cases cannot be accurately determined as at the end of the financial year.

31.Capital Commitments

The Agency has capital commitments for development and implementation of an e-portal and ERP system.

Capital Commitments	2020/2021	2019/2020
	KShs	KShs
Authorised and contracted for e-portal development	34,974,000	-
Authorised and contracted for ERP system development	24,049,443	-
Total	59,023,443	0

32. Ultimate and Holding Entity

The Agency is a State Corporations under the Ministry of Industrialization, Trade and Enterprise Development.



APPENDICES

APPENDIX 1: PROGRESS ON FOLLOW-UP OF AUDITOR RECOMMENDATIONS

Ref. No. on External Audit Report	Issue/ Observations from Auditor	Management Comments	Focal Point Person to Resolve the Issue.	Status	Timeframe
N/A	N/A	N/A	N/A	N/A	N/A

  
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**Dr. WILFRED MARUBE**  
*CHIEF EXECUTIVE OFFICER*

**DATE:** 30/09/2021 .....

  
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**MR. JASWINDER BEDI, EBS, MBS**  
*CHAIRMAN, BOARD OF DIRECTORS*

**DATE:** 30/09/2021 .....



## APPENDIX 2: PROJECTS IMPLEMENTED BY THE AGENCY

There were no projects implemented by the Agency which were funded by development Partners.

Project Title	Project Number	Donor	Period/ Duration	Donor Commitment	Separate Donor Reporting Required as per the Donor Agreement	Consolidated in these Financial Statements
N/A	N/A	N/A	N/A	N/A	N/A	N/A

## APPENDIX 3: INTER-ENTITY TRANSFERS

Kenya Export Promotion and Branding Agency			
Break Down of Transfers from the State Department for Trade and Enterprise Development FY 2020/2021			
(a) Recurrent Grants	Bank Statement Date	Amount (KShs)	FY to which Amounts Relate
	08/10/2020	100,400,000	2020/2021
	29/01/2021	100,400,000	2020/2021
	16/04/2021	100,400,000	2020/2021
	13/05/2021	100,400,000	2020/2021
	05/07/2021	100,000,000	2020/2021
<b>Total</b>		<b>501,600,000</b>	

The above amounts have been communicated to and reconciled with the Parent Ministry.

## APPENDIX 4: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Name of MDA / Donor Transferring the Funds	Date Received as per Bank Statement	Nature: Recurrent / Development / Others	Total Amount (KShs)	Where Recorded <i>Statement of Financial Performance</i>	Total Transfers During the Year
N/A	N/A	N/A	NIL	N/A	NIL

There were no transfers from other government entities in the FY 2020/2021.



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