

UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

UNCTAD



Republic of Kenya

**Ministry of Industrialization,
Trade and Enterprise Development**

Draft Programme

National Training Workshop on Fostering Productive Capacities in Kenya for Industrialization, Export Diversification, and Inclusive Growth

16-18 March 2022

**Sarova Panafric Hotel
Nairobi, Kenya**

DAY 1: Wednesday, 16 March 2022

08:30 - 09:00 Registration

09:00 - 10:00 *Session I: Opening Session*

Moderator: *Dr. Bruno Linyiru - Secretary Trade - State Department for Trade and Enterprise Development*

The quest for Industrialization and Inclusive Growth: Policies and Strategies for Developing Productive Capacities of Kenya

This session sets the Kenyan context for the national policy-level dialogue on ways and means for fostering productive capacities and structural economic transformation and provides direction for subsequent discussions. It provides opportunities to elaborate the conceptual foundation and policy context of productive capacities in Kenya and highlight the objectives, expected outcome and implications of the workshop. It will also outline the Government's strategy for post-Covid-19 economic recovery and the medium- to long-term vision for inclusive economic growth and sustainable development.

09:00 - 09:10 Welcoming remarks:

Amb. Kirimi Kaberia, CBS, Principal Secretary, State Department for Industrialization

09:10 - 09:20 Opening Remarks:

Mr. Stephen Jackson, UN Resident Coordinator

09:40 - 10:00 Opening Statement:

Mr. Paul Akiwumi, Director, Division for Africa, LDCs and Special Programmes, UNCTAD

10:00-10:15 Keynote address:

Betty Maina, EGH, Cabinet Secretary, Ministry of Industrialization, Trade and Enterprise Development.

10:15 - 10:30 Group Photo, followed by Coffee & Tea Break

10:30 - 13:00 Session II: Fostering productive capacities, structural economic transformation, and industrialization for inclusive growth in Kenya: policy options and strategies

Moderator: *Mr. Paul Akiwumi, Director, Division for Africa, LDCs and Special Programmes, UNCTAD*

This session provides substantive foundation for key issues of deliberations at the workshop by assessing the current trends in socio-economic development of Kenya, progress achieved, and challenges confronted. It elaborates the conceptual foundation of productive capacities and structural transformation in relation to Kenya's development endeavours. The session also exchanges views on Kenya's vision to become the "industrial Hub in Africa and emerging middle-income economy by 2030". The session further explores the role of trade, export diversification and market access such as AGOA, Economic Partnership Agreement with EU and USA and the Africa Continental Free Trade Area (CFTA).

10:30 - 10:50 Kenya's industrialization and economic diversification strategies in the context of Vision 2030

Dr. Kenneth Chelule, Chief Research Scientist, Kenya Industrial Research and Development Institute (KIRDI)

10:50 - 11:10 Anchoring devolution to Kenya's industrialization and economic diversification strategies in the context of Vision 2030:

Mr. Kizito Wangalwa, Director Committees, Council of Governors (COG)

11:10 - 11:30 Why do productive capacities and structural transformation matter for Kenya?

Mr. Mussie Delelegn, Officer-in-Charge, Productive Capacities and Sustainable Development Branch, (UNCTAD)

11:30 - 11:50 Status and Strategies for fostering global competitiveness

Mr. Samwel Mulei, Assistant Director, National Productive and Competitiveness Centre (NPCC)

11:50 - 12:10 Impact of COVID19 - Policies and strategies for post-COVID19 recovery with emphasis on MSMEs and their place post-Covid recovery Strategy

Mr. Richard Ipero, Director Strategy, Planning and Coordination, Micro Small Enterprises Authority (MSEA)

12:10 - 13:00 Interactive discussions, questions, and answers (Q&A)

13:00 - 14:00 Lunch Break

14:00 - 16:30 Session III: Productive capacities and structural economic transformation: measuring and benchmarking performances by using UNCTAD's Productive Capacities Index (PCI) for evidence-based policy formulation and implementation in Kenya

Moderator: Mr. Kizito Wangalwa – Director of Committees, Council of Governors

This session is intended to relate the concepts of productive Capacities, structural Economic transformation, and industrialization to Kenya's development endeavors. It will discuss the critical roles of manufacturing, linkages, finance, infrastructure, particularly transport and ICTs and regional value chains for building robust productive capacities. The session will also introduce UNCTAD's Productive Capacities Index (PCI), which is an innovative approach applied by UNCTAD to measure and benchmark the level of development of productive capacities. The session will also identify some of the policy and institutional arrangements for boosting the manufacturing sector in Kenya, which is an essential sector, along with linkages and domestic supply chain development, for fostering productive capacities, industrialization, and structural economic transformation.

- 14:00 - 14:20 Productive Capacities Index, indicators used and policy implications
Mr. Mussie Delelegn, Officer-in-Charge, Productive Capacities and Sustainable Development Branch, Division for Africa, LDCs and Special Programmes, UNCTAD
- 14:20 - 14:40 Application of UNCTAD's Productive Capacities Index in policy formulation for inclusive and sustainable industrial development of Kenya:
Mr. Fernando Cantu Bazaldua, Chief Statistician, United Nations Industrial Development Organization (UNIDO)
- 14:40 - 15:00 The role of the manufacturing sector in economic diversification, jobs creation and Industrialization of Kenya: Policy lessons from the experiences of Tunisia and Morocco.
Ms Chema Triki, Industrialization Lead, Tony Blair Initiative (TBI) for Global Change, Nairobi, Kenya
- 15:00 - 15:20 Coffee and Tea Break
- 15:20 - 15:40 Challenges, opportunities, and prospects for Kenyan private sector in the Manufacturing Sector
Dr. Simon Githuku, Manager, Research & Fiscal Policy, Kenya Association of Manufacturers (KAM)
- 15:40 - 16:00 Gaps in productive capacities among main Kenyan cities and regions: What policies and strategies to address the gaps
(UN-HABITAT)
- 16:00 - 16:20 Nexus between trade, environment, and development with implications to foster productive capacities and structural economic transformation
(UNEP)
- 16:20 - 17:00 Interactive discussions, questions, and answers (Q&A)

DAY II: Thursday, 17 March 2022

09:00 - 13:00 Session IV: The role of investments (domestic and foreign) and trade in fostering productive capacities, industrialization, and structural economic transformation in Kenya: How do institutions play key roles in ensuring policy coherence for building productive capacities and kickstarting structural economic transformation?

Moderator: *Mr. Brian Obara - Principal Strategy Officer – Lamu Port South Sudan Ethiopia Transport (LAPSSET)*

This session is intended to explore the roles of investments (domestic and foreign) and trade as well as institutions in utilizing existing capacities and building new ones through harnessing comparative advantages and unlocking constraints to development. It will discuss the role of the state in leading the way for effectively harnessing the potential role of investments and international trade. How government facilitate the growth and expansion of the private sector including through fostering linkages between foreign and domestic firms and between key sectors of the economy is vital for inclusive growth and sustainable development of Kenya.

09:00 - 09:20 Kenya's performance on the UNCTAD Productive Capacities Index (PCI) in comparison to the African and other developing countries: What policy implications?

Mr. Mussie Deleegn - *Officer-in-charge, Productive Capacities and Sustainable Development Branch, Division for Africa, LDCs and Special Programmes (UNCTAD)*

09:20 - 09:40 Financing industrialization and transformation in Kenya: Gaps and limitations with policy implications.

Mr. Joseph Sirengo - *Chief Manager Research, Kenya Revenue Authority, (KRA)*

09:40 - 10:00 Institutional coordination and policy framework for industrialization in Kenya: Challenges, opportunities, and prospects for building productive capacities and economic diversification

Mr. Emmanuel Wa-Kyendo, *Program Officer, International Economics, Trade and Development, Institute of Economic Affairs (IEA)*

10:00 - 10:20 Coffee/Tea Break

10:20 - 10:40 Formalizing informal business, cross-border trade, and informal sector in Kenya: Capitalizing on new productive opportunities AfCFTAs:

Mr. Kris Terauds, *Economic Affairs Officer, Division for Africa, LDCs and Special Programmes, (UNCTAD)*

10:40 - 11:00 The potential, prospects, and challenges of export diversification in Kenya including in the context of, inter alia, WTO Doha work programme and AfCFTA

Mr. Kenneth Malot – *Policy Analyst, Kenya Institute for Public Policy Research Institute (KIPPRA)*

11:00 - 11:20 Regional integration as a driver of productive capacity-building and industrialization: The role of regional value chains in boosting Kenya's productive and trade capacities: **Mr. Stephen Karingi**, Director, Regional Integration and Trade Division, UNECA (TBC)

11:20 - 11:40 Trade facilitation, logistics and transit corridors as means to regional integration and foster economic transformation in Kenya
(Trademark East Africa)

11:40 - 12:00 Transport links and connectivity in Kenya for industrialization and manufacturing export competitiveness: The significance of Mombasa port and Mombasa-Nairobi-Addis Abba corridor
Mr. Brian Obara, Principal Strategy Officer, Lamu Port South Sudan Ethiopia Transport (LAPSSET)

12:00 - 12:20 The role of agriculture in kickstarting economic diversification and structural transformation in Kenya
Mr. Samuel Gicheru, Director Planning, State Department for Crop Development and Agricultural Research (Ministry of Agriculture)

12:20 - 13:00 Interactive discussions, questions, and answers

13:00 - 14:00 Lunch break

14:00 - 16:30 Session V: fostering institutions, private sector development and human capital formation for enhancing productive capacities and structural transformation

Moderator: **Dr. Caroline Kariuki**, Director, Educational Development, Strathmore University

This session is dedicated to discussing the respective role of institutions, the private sector and human capital formation in building productive capacities and structural economic transformation in Kenya. It identifies policy options to improve interlinkages among categories of productive capacities to formulate and implement holistic, long-term and programme-based policy interventions in Kenya.

14:00 - 14:20 Clear lines on the playing field: The importance of effective institutions in building productive capacities in Kenya":
Mr. Kris Terauds, Economic Affairs Officer, Division for Africa, LDCs and Special Programmes, UNCTAD

14:20 - 15:00 The role of Kenyan private sector in fostering productive capacities and structural economic transformation: opportunities, challenges, and prospects
Mr. Samuel Matonda, Chief Executive Officer, Kenya National Chamber of Commerce and Industry (KNCCI)

15:00 - 15:20 Coffee Tea Break

15:20 - 15:40 The role of healthcare and health service delivery for human capital formation in Kenya. Post-COVID19 policies and strategies:
Dr. Yohannes Kinfu, Associate Professor, University of Canberra, Australia

15:40 - 16:30 Interactive discussions, questions, and answers

Day-III: Friday, 18 March 2022

09:00-13:00 Session VI: Industrial Parks and Special Economic Zones in facilitating the building of productive capacities and kickstarting structural economic transformation

Moderator: *Dr. Fred Masibo Simiyu – Director, Research - State Department for Trade and Enterprise Development*

This session is dedicated to discussing the respective roles of Industrial Parks and Special Economic Zones (SEZs) in facilitating production transformation in Kenya, fostering linkages between small and big firms or between foreign and domestic firms, with the objective of enhancing industrialization, manufacturing and structural economic transformation in Kenya. The discussions and presentation shed further lights on challenges, prospects, and opportunities for industrialization in Kenya.

09:00 - 09:20 Objectives and priorities of Industrial Parks of Kenya: Policies, strategies and the way forward
Mr. Hussein Adan Mohammed, Ag. Managing Director, Export Processing Zones Authority (EPZA)

09:20 - 09:40 How and why Special Economic Zones matter for fostering competitiveness and facilitating linkages in Kenya?
Mr. Francis Gitau, Economist Special Economic Zone Authority, (SEZA)

9:40 - 10:00 Linkages between Kenyan academic, R&D institutions, Industrial Parks and Special Economic Zones
Prof. Vincent Onywera, Lecturer, Kenyatta University

Dr. Caroline Kariuki, Director, Educational Development, Strathmore University

10:00 - 10:20 Coffee/Tea break

- 10:20 - 10:40 The role of Industrial Parks and Export Processing Zones in Kenya: What prospects for productive capacities development and structural economic transformation
Chema Triki, - *Industrialization Lead, Tony Blair Initiative (TBI) for Global Change (TBC)*
- 10:40 - 11:00 Fostering Public-Private Partnership (PPP) in Kenya as key for economic diversification, resilience building in the context of Covid19 and post-COVID policies and strategies:
Professor Jonathan Annan, *Strathmore University*
- 11:00 - 12:00 Interactive discussions, Questions and Answers
- 12:00 - 12:20 The way forward: Kenya's National Productive Capacities Gap Assessment and Kenyan holistic and integrated long-term programme:
Mr. Paul Akiwumi, *Director, Division for Africa, LDCs and Special Programmes, UNCTAD*
- 12:20 - 12:40 Way forward and closing remarks
Mr. Hezekiah B. Okeyo, *Secretary Industrialization, State Department for Industrialization*
- 12:40 -14:00 Lunch break