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Annual Report

2008-2009

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National Economic and Social Council



Annual Report, July 2008-June 2009

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Vision Statement

To be a leading institution in advising, coordinating and facilitating the implementation of sound economic and social policies.

Mission Statement

To provide expert, impartial and independent advice on economic and social matters to the Government as well as promote consensus building through dialogue among partners in order to fast track the economic and social development of the country.

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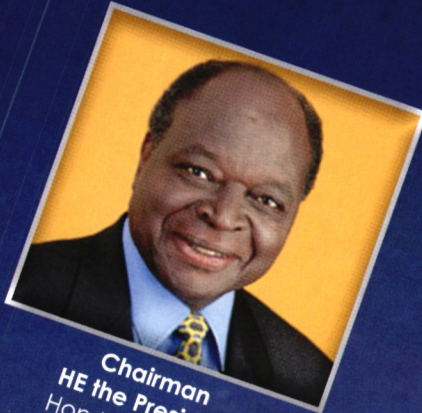
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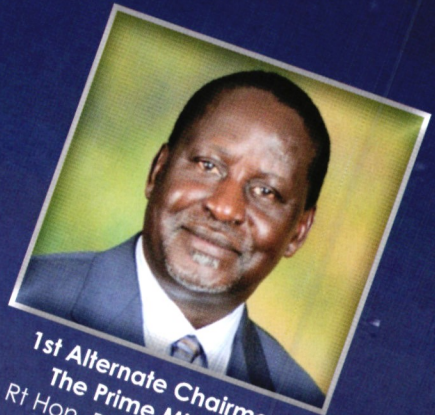
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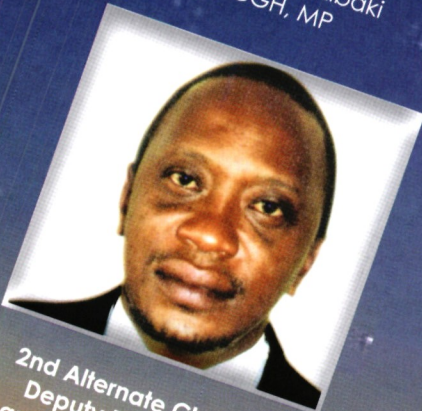
NESC members as at June 30, 2009



Chairman
HE the President
Hon Mwai Kibaki
CGH, MP



1st Alternate Chairman
The Prime Minister
Rt Hon. Raila A Odinga,
EGH, MP



2nd Alternate Chairman
Deputy Prime Minister
and Minister for Finance
Hon. Uhuru Kenyatta,
EGH, MP



Deputy Prime Minister and
Minister for Local
Government
Hon. Musalia Mudavadi,
EGH, MP



Hon. Amos M. Kimunya, EGH, MP, Minister for Trade



Hon. S. Amos Wako, EGH, EBS, FCI Arb, SC, MP, Attorney General



Hon. Beth W. Mugo, EGH MP, Minister for Public Health & Sanitation



Hon. (Amb.) Chirau Ali Mwakwere, EGH, MP, Minister for Transport



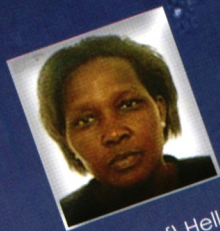
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Hon. Franklin Bett, EGH, MP, Minister for Roads



Hon. (Prof) Hellen J. Sambili, EGH, MP, Minister for Youth Affairs and Sports



Hon. Henry Kiprono Kosgey, EGH, MP, Minister for Industrialisation



Hon. James Orengo, EGH, MP, Minister for Lands



Hon. John Michuki, EGH, MP, Minister for Environment and Mineral Resources



Hon. Kiraitu Murungi, EGH, MP, Minister for Energy



Hon. Mutula Kilonzo, EGH, SC, MP, Minister for Justice, National Cohesion and Constitutional Affairs



Hon. Moses Wetang'ula, EGH, MP, Minister for Foreign Affairs



Hon. Najib Balala, EGH, MP, Minister for Tourism



Hon. Robinson Njeru Githae, MBS, MP, Minister for Nairobi Metropolitan Development



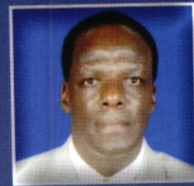
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Hon. William Samoei Arap Ruto, EGH, MP, Minister for Agriculture



Hon. Wycliffe Ambetsa Oparanyah, EGH, MP, Minister for Planning, National Development and Vision 2030



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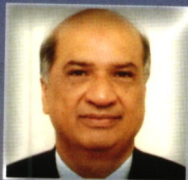
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Vimal B Shah, MBS,
CEO Bidco Oil Refineries
(Private Sector)

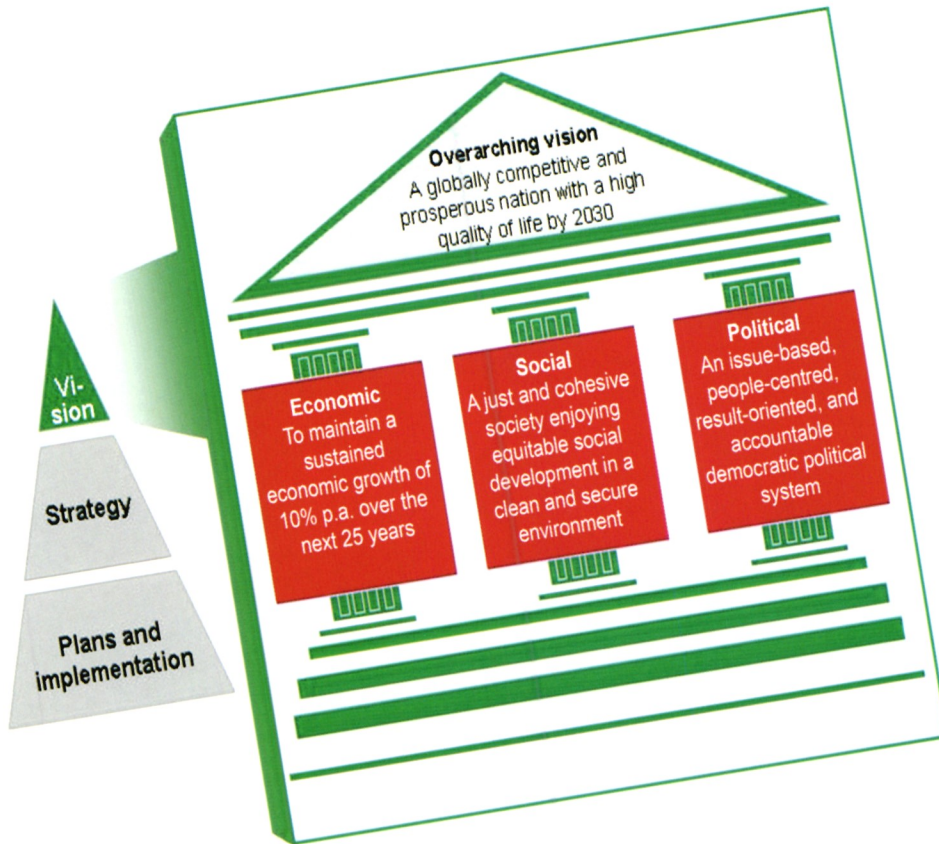


Wilfred Murungi (Eng), EBS,
CEO Mastermind Tobacco
(Private Sector)



Julius M. Muia
Secretary, NESCS

Kenya Vision 2030 The Pillars and Foundations





H.E. the President, the NESC Chairman (right), with the Rt Honourable Prime Minister, 1st Alternate Chairman (second left) during the launch of the Vision 2030. Looking on is the Vice President (left) together with the Minister of State for Planning, National Development and Vision 2030 (second right). PHOTO/Presidential Press Unit, Kenya

List of abbreviations and acronyms

ABIC	Athi River Basin Industrial Corridor
AFC	Agricultural Finance Corporation
BSPS	Business Sector Programme Support
BPO	Business Process Outsourcing
CBD	Central Business District
CBK	Central Bank of Kenya
CIM	Chartered Institute of Marketers
CDF	Constituency Development Fund
DANIDA	Danish International Development Agency
DEC	Danish Economic Council
DFIs	Development Finance Institutions
DOD	Department of Defense
ESAMI	Eastern and Southern African Management Institute
GDP	Gross Domestic Product
ICT	Information Communication Technology
ICDC	Industrial and Commercial Development Corporation
IDB	Industrial Development Bank
IFMIS	Integrated Financial Management Information System
ISO	International Standards Organization
KAA	Kenya Airports Authority
KAM	Kenya Association of Manufacturers
KenGen	Kenya Electricity Generating Company Ltd
KEPSA	Kenya Private Sector Alliance

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KIA	Kenya Institute of Administration
KIE	Kenya Industrial Estates
KICC	Kenyatta International Conference Centre
KIP	Kenya Institute of Planners
KIPPRA	Kenya Institute for Public Policy Research and Analysis
KMWA	Kenya Medical Women's Association
KPA	Kenya Ports Authority
KPLC	Kenya Power & Lighting Co. Ltd.
KTDA	Kenya Tea Development Authority
KWS	Kenya Wildlife Service
LATF	Local Authorities Transfer Fund
MSME	Micro, Small and Medium Enterprises
MTA	Mass Transit Authority
MTC	Ministerial Tender Committee
MTP	Medium Term Plan
MTS	Medium Term Strategic Plan
NESC	National Economic and Social Council
NCBDA	Nairobi Central Business District Association
NGO	Non-Governmental Organization
NHC	National Housing Corporation
NSSF	National Social Security Fund
PCEA	Presbyterian Church of East Africa
PPP	Public Private Partnership
SEZs	Special Economic Zones
SME	Small and Medium Enterprises
UASU	University Academic Staff Union
UNDP	United Nations Development Programme
VAT	Value Added Tax
VDS	Vision Delivery Secretariat
WEB	Website

Statement by the Chairman of the National Economic and Social Council

**HIS EXCELLENCY HON. MWAI KIBAKI, CGH, MP,
PRESIDENT AND COMMANDER-IN-CHIEF OF THE ARMED
FORCES OF THE REPUBLIC OF KENYA**

On behalf of the members of the National Economic and Social Council (NESC), I am delighted to present to you the first Annual Report of the Council, which covers the period between July 1, 2008 and June 30, 2009.

The principal mandate of the National Economic and Social Council is to advise the Government on coordinated policies aimed at promoting economic, social and political development. Its membership consists of prominent personalities drawn from the public sector, the private sector, academia and non-state actors.

The first NESC served between September 2004 and December 2007. Its most significant achievement was facilitating the development and completion of the Kenya Vision 2030. It also initiated the creation of the Ministry of Nairobi Metropolitan Development, the promotion of value addition to agriculture, and Kenya's Integrated Registry of Persons.

This Annual Report (2008-2009) covers the first year of operation of the Second Council. As I launched this Council on October 4, 2008, I highlighted the following five challenges for

the Council to address during its tenure: (i) the performance of the economy; (ii) tackling unemployment; (iii) dealing with poverty and inequality; (iv) national integration and social cohesion issues; and (v) infrastructure development.

To deal with the above issues, the Second Council has initiated or recommended several policies on youth and employment, infrastructure bonds, unclaimed assets, and productivity and competitiveness in Kenya so as to deliver a globally competitive country. This report details the achievements attained within one year, a clear testimony that NESC is making significant positive impact to the economic and social development of Kenya.

I am particularly delighted to note that the Council's recommendations are derived from credible research coupled with wider consultation with key stakeholders and experts, and through taskforces as well as monitoring and evaluation reports emanating from Council meetings. This report gives an overview of this process by highlighting the outcomes of the studies and reports thereof. The full reports will be widely disseminated for public consumption.

I take this opportunity to thank the Secretariat and all those who were involved in either the NESC sub-committees or the taskforces and working groups. Continued efforts will further fast-track the implementation of the Kenya Vision 2030.

Thank you.

Foreword by the First Alternate Chairman of the National Economic and Social Council

THE RT HON PRIME MINISTER, RAILA ODINGA

I am pleased to join the Chairman, His Excellency Hon Mwai Kibaki, CGH MP, President and Commander-in-Chief of the Armed Forces of the Republic of Kenya, to present to you the first Annual Report of the Council, which describes its work and achievements during the period between 1st July, 2008 and 30 June, 2009.

I have had the privilege and honour to chair three of the four Council meetings that took place during the year under review. It has been a great honour for me and the Council members to come up with policies and strategies aimed at the economic and social transformation of our nation. The Council, which is an advisory body to the government, plays a strategic role in fostering policy dialogue on social and economic issues in the country in order to achieve accelerated development.

It enjoys special links with a range of stakeholders, which include government ministries, the private sector, employees' organisations, development partners, media, research institutions, professional groups and the general public.

As we commenced our tenure, we were cognisant of the fact that some sections of the Kenyan society have been cynical about the usefulness of the Council, yet it is credited with the major economic achievements in recent years. This justifies the need for regular communication and dialogue with the public. It is for this reason that this Annual Report has been prepared and is being presented to you. Other publications will follow, on a regular basis, to inform you on the work of the Council.

The task for the current Council was spelt out clearly by the Chairman during the launch of the Second Council in October 2008. The Chairman singled out the economy, unemployment, poverty and inequality, national integration and social cohesion and infrastructure as the key challenges that the Council will need to address during its tenure.

Other issues to be pursued included: energy, competitiveness, leveraging the opportunities in the US-Kenya links, industrialisation, food security, water and housing development. We established seven sub-committees to pursue these issues during the year and beyond. The Chairman's statement highlights some of the key policy recommendations formulated by the Council during the 2008-2009 period.

Further, during the year, the Council also received update reports on progress made on the past recommendations to the Government. These included:

- Implementation of the flagship projects of the Vision

2030

- Building a positive image of Kenya locally and internationally
- Making Nairobi a regional hub
- Implementation of the Science, Technology and Innovation Policy
- Value addition to agro produce
- Embracing economic diplomacy
- Development of trade and industrialisation policies
- Integrated population registration system
- Harmonisation and utilisation of devolved funds
- Formation of civil works unit in the department of defence akin to US Corps of Engineers, and
- Action on drought and flood control management

With these achievements, the Second Council has laid a good ground on which to operate during the next two years.

Our commitment to transform this economy is unwavering. A number of reforms underway will enhance public service delivery and eradicate some conditions that now impede economic growth. For example, a Strategy and Delivery Unit is being established in the Prime Minister's Office, which will strengthen government capacity in service delivery. Of primary concern will be government departments that deal with business regulations, licensing and government infrastructure providers. The Unit will also contribute to ensuring that the Government's spending is clearly aligned with stipulated policies. This is expected to reduce budget overruns from the next financial year and monitor the usage of public funds

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The work of the Council is facilitated by the NESC Secretariat, under the leadership of the Executive Secretary. The NESC Secretariat follows up on issues raised during its meetings and reports back to the Council. On behalf of the Chairman and the Council members, I take this opportunity to thank the Secretariat for the splendid work done during 2008/09, and count on its support during 2009/10 as we strive to serve Kenyans better.

We hope that this Annual Report will not only inform the public, but also provide a stimulus for the public to engage the Council more.

Thank you.

Executive summary

This is the inaugural annual report of the National Economic and Social Council (NESC). The report outlines the achievements of the Council from July 2008 upto June 2009.

In its introduction (Chapter 1), the report gives NESC's background, mandate, functions and work methods, including those of its full council meetings, sub-committees and the NESC Secretariat.

NESC was set up through Gazette Notice No. 7699 of September 2004 as Kenya's top advisory body to the Government on coordinated policies required to accelerate social and economic development of the country. Its members are drawn from the Government, the private sector, the civil society and academia, and serve on three-year renewable honorary appointments.

The first NESC (2004-2008) had 34 members and held 13 meetings, while the second NESC (constituted in September 2008) has 49. The Council meets four times in a year during which it establishes *ad hoc* sub-committees on a need basis. The NESC Secretariat carries out executive and administrative work.

Chapter 2 looks at policy recommendations made in 2008-2009 and also gives an update on those made during the period 2004-2007. The recommendations made responded to

the following challenges facing the country: the performance of the economy; unemployment, especially among the youth; poverty and inequality; infrastructure development; national integration and social cohesion; the national food crisis; high fuel and energy prices; mitigations against the global financial crisis; speedy establishment of Special Economic Zones; speedy Government project management process; and implementation of the Kenya Vision 2030 Flagship Projects, among other emerging issues.

Specifically, the Council set up sub-committees on each of the following policy agendas for the year: energy, food security and water, competitiveness, housing development, national industrialisation, opportunities for leveraging Kenya-US Links and global financial crisis. Also highlighted are update reports on previous recommendations, which show that policy formulation and/or implementation is on course.

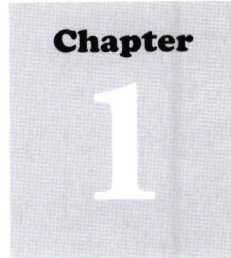
Chapter 3 summarises outputs from studies and reports done by NESC in order to provide evidence-based policy advice to the Government. Included is an overview of the proceedings of the 1st Infrastructure Bonds Conference, study reports on unemployment in Kenya and on poverty, incomes and inequality, a taskforce report on the possibility of a 24-hour economy in Kenya, and consultancy reports on communication policy and framework and publications guidelines for NESC.

Chapter 4 looks at operations and activities of NESC, including human resource development, finances and major activities carried out in 2008-2009. The NESC staff comprises 12 permanent and pensionable staff, four contract staff, three

research fellows and one research associate. A team of interns seconded to the Secretariat also contributes to the administrative functions of the Council.

The operations of NESC are funded from two sources: the Exchequer and the Business Sector Programme Support (BSPS) project under the support of DANIDA and UNDP. The Secretariat facilitated seven NESC sub-committees and six taskforces and co-sponsored and co-organised the first Infrastructure Bonds Conference in Kenya. NESC was also involved in events to support a better understanding and appreciation of the global financial crisis in relation to Kenya, and disseminated the Kenya Vision 2030, among others.

Finally, Chapter 5 gives NESC's future outlook; that is, the activities NESC will pursue in the coming year. NESC will continue implementing ongoing projects while attending to emerging challenges, such as climate change and its ramifications, and issues of harmony, inequality and policy implementation bottlenecks, among others.



INTRODUCTION

1.1 Background

The National Economic and Social Council (NESC) was set up through Gazette Notice No. 7699 of September 2004 under the country's Economic Recovery Strategy (ERS) 2003-2007. It is Kenya's top advisory body to the Government on coordinated policies required to accelerate social and economic development of the country. Consequently, NESC's recommendations are geared towards reforming existing policies or designing new ones.

In carrying out its functions, NESC assesses Government policies for their effectiveness in promoting socio-economic transformation; provides a forum for partnership and dialogue by engaging a diverse range of stakeholders — especially

private and social sector players — for their input in policy recommendations; and mobilises knowledge and technical resources from relevant knowledge networks, including research and education institutions.

NESC members are drawn from the Government, the private sector, the civil society and academia, and serve on three-year renewable honorary appointments. The first NESC (2004-2008) had 34 members and held 13 meetings while the second NESC (constituted in September 2008) has 49 members and has already held four meetings. His Excellency the President is the Chairman; the Rt. Hon. Prime Minister is the 1st Alternate Chairman, and the Deputy Prime Minister, Minister for Finance is the 2nd Alternate Chairman. In its strategic role of facilitating and fostering policy dialogue in the



Members of the second NESC pose for a group photo outside the Council offices at the Kenyatta International Conference Centre, Nairobi. PHOTO/ NESC Secretariat

country, NESC enjoys special links with a range of stakeholders that include line ministries, the private sector, the mass media, research institutions, professional groups, development partners and the general public. This engagement framework enables NESC to hold consultative meetings on key issues facing the country and provides input for the development of national policies.

1.2 Mandate and functions of NESC

In line with its Vision and Mission, the primary mandate of NESC is to advise the Government on coordinated strategic policies aimed at promoting economic growth, social equity and employment creation, thereby reducing poverty and inequality. It is also mandated to offer advice, on request, to the private sector and the civil society and to express professional opinion on development issues.

1.3 Specific functions of NESC

The functions of NESC as stipulated in the gazette notice are to:

- Create forums in which the Government, the private sector and labour unions can discuss

- and identify policy issues and recommend to the Government the implementation of such policies;
- Gather, analyse and compile information on key economic development trends, and propose policy alternatives that could then be forwarded to the Cabinet with appropriate recommendations;
 - Appraise the various programmes and activities of the Government, including Investment Programmes for Economic Development, for the purpose of determining the extent to which such programmes and activities contribute to the achievement of Government policy objectives;
 - Develop and recommend to the Cabinet strategic policy interventions that could promote social equity, economic growth, create employment and reduce poverty and inequality;
 - Give its opinion, suggestions and recommendations on any matter or question on which it may be consulted by the Government, the private sector or the civil society;
 - Improve the impact of strategic policies with emphasis on the most critical social and economic needs, especially in areas that have direct impact on strengthening the potential of the private sector to create employment opportunities, and those that address poverty reduction;
 - Utilise the private sector and the civil society knowledge capacities and synergy through collaboration, engagement and networking in order to promote efficiency and effectiveness of the economic planning process;

- Liaise with existing research institutions, universities and the Kenya National Bureau of Statistics in the performance of its functions.

These functions can be classified into four broad categories:

- Facilitation of policy dialogue forums
- Provision of policy advice to the Government and other stakeholders
- Co-ordination of policy development, and
- Knowledge mobilisation.

To evaluate NESC's performance during the year, a matrix is attached in *Annex 1* of this report analysing all the activities the Council carried out against these broad functions.

1.4 NESC's working methods

The executive and administrative work of NESC is carried out by a secretariat that follows up on recommendations and issues raised during its full Council meetings. Under NESC's guidance, the secretariat coordinates the preparation of policy research papers by line ministries and engages research institutions when the need arises. Findings from these studies/researches are thereafter presented to NESC through the relevant sub-committees.

As a policy research body, NESC also organises taskforces to encourage dialogue on research and innovative ideas

of socio-economic nature from corporate and public institutions as well as individuals and researchers. Informed by its communication programme, NESC also organises information-sharing and dissemination workshops, seminars and public lectures.

1.4.1 NESC's full council meetings

In line with its mandate, NESC meets four times in a year. These meetings are the highest decision-making organ of the institution. During the year under review, all NESC meetings were held at the Kenyatta International Conference Centre (KICC), Nairobi on October 3 to 4, 2008, January 23 to 24, 2009, March 27 to 28, 2009, and May 29 to 30, 2009. Since its formation in 2004, NESC has held 17 meetings to date.

Before every full NESC meeting, the Secretariat compiles the papers intended for discussion and consideration and forwards them to members. The resulting policy recommendations are promptly communicated to the public through a press release and later forwarded to the relevant ministries for input into policy and implementation. The Secretariat monitors progress on implementation of these recommendations and reports back to NESC through its Score Card.

During the year, NESC considered 31 policy papers that were presented and proposed to the Government through 12 major policy recommendations which are now at various stages of implementation.



The Alternate Chairman of NESC, the Rt Honourable Prime Minister, Raila Odinga, addresses the media at the close of the 17th NESC Council meeting in May 2009. PHOTO/NESC Secretariat

1.4.2 NESC sub-committees

From time to time, NESC establishes ad-hoc sub-committees on a need basis to deal with specific policy issues that require specialised attention. Members serve in these sub-committees based on their areas of responsibility or expertise. The life of these sub-committees expires when the task assigned is accomplished. (The current membership of these sub-committees is as shown in *Annex 2*.)



Mr Michael Riunge (6th left) of the NESC Secretariat on a study tour of ICT BPO parks in Bangalore, India, in November/December 2008. With him are delegates from various countries. Photo/NESC Secretariat

Each sub-committee appoints a chairperson and a vice-chairperson, and adopts terms of reference to guide its activities. The anchoring ministry for a specific policy agenda provides the secretariat support for that sub-committee. The committees are mandated and encouraged to co-opt experts on the subject and commission such research and studies as they may consider necessary to inform their deliberations and recommendations to NESC during the full meeting.

During the year under review, NESC established seven sub-committees, namely: Energy; Competitiveness; Leveraging Opportunities in the Kenya-US links; National Industrialisation; Global Financial Crisis; Food Security and

Water and Housing Development. By close of the year under review, four sub-committees had presented their initial recommendations to NESC. The other three sub-committees are scheduled to table their reports to NESC in 2010.

1.4.3 The NESC Secretariat

The work plans of NESC, in line with current practice in the Public Service, are guided by the overall strategic plan of the Presidency and Cabinet Affairs Office. In this spirit, NESC has developed a medium-term strategic plan (MTS) 2008-2012 to guide its work programme. The plan identifies three key strategic thrusts:

- Improving the drivers that were identified in the Kenya Vision 2030;
- Identifying other drivers that were not brought out in the Kenya Vision 2030; and
- Identifying further drivers beyond the Kenya Vision 2030.

At the beginning of every financial year, the NESC Secretariat prepares an annual performance contract detailing the specific activities that will be carried out to meet its work plan. The key activities are thereafter selected and incorporated into the overall performance contract of the Presidency and Cabinet Affairs Office. The Secretariat prepares quarterly returns of actual performance against the committed performance contract.

Chapter

2

NESC POLICY RECOMMENDATIONS

2.1 Policy recommendations, 2008-2009

In the year under review, the Council held four meetings and made a number of policy recommendations:

These were:

1: Strategies towards the initiation of Integrated Youth Employment Creation

The 14th NESC meeting, held in October 2008, underscored the need to urgently address issues relating to youth welfare and employment in view of the challenges they face. The meeting recommended that more emphasis be placed in providing vocational training to build the requisite skills among the youth and make them competitive both locally and globally. This arrangement should be spread throughout the country in order to provide an avenue for youth engagement and employment.

NESC also recommended the setting up of regional banks to enable the youth to have easy access to financial resources, and a review of the academic curriculum in order to produce job creators rather than job seekers. It also recommended the creation of employment opportunities for the youth in Public Works programmes such as road construction, as well as the use of devolved funds to develop youth polytechnics countrywide.

NESC appreciated efforts made by the Government to address youth problems, particularly unemployment, by initiating youth development programmes such as the Marshal Plan and the Kazi Kwa Vijana initiative, which has registered some notable success within a few months of its launch. Thankfully, the 2009-2010 National Budget recognises the need for the channelling of devolved funds to these and other youth-related programmes.

2: Transformation of Pension Scheme funds and Retirement Savings into long-term funds for financing investments, especially long-lived assets/projects

During the 15th Council meeting held on January 23-24, 2009, NESC appreciated the Government's commitment to the development of infrastructure and the successes of the *Infrastructure Bonds Conference* held between October 27 and 28, 2008.

It recommended that modalities be explored to transform pensions and retirement savings, particularly the NSSF, into sources of long-term funds to finance long-lived infrastructure projects by developing an appropriate investment policy. The policy will outline the relevant incentive framework to encourage long-term savings which will provide a pool of funds to finance infrastructure and related long-term projects.

The ongoing reforms within the Civil Servants Pensions Scheme, which aim to convert it into a funded pension scheme, should ensure that the above concerns are fully addressed.

3: Consolidation of Development Finance Institutions (DFIs) in Kenya into one major investment bank so as to serve emerging and changing investment and financing needs

The 15th NESC meeting considered a strategy paper by the Ministry of Finance on required reforms for Development

Finance Institutions (DFIs). The strategy paper noted that five DFIs (AFC, IDB Capital, ICDC, KIE and KTDA) have been operating at near-survival basis and that they have had to deviate from traditional core mandates because of the financial pressures they face.

With this background, NESC recommended that DFIs be transformed to serve emerging needs of the economy, in particular to support the fast economic growth outlined in the Kenya Vision 2030. NESC recommended that DFIs be consolidated into one major institution under the supervision of the Ministry of Finance and converted into an investment bank to serve the country's changing development needs. It also recommended that the governance structure of DFIs should be overhauled and de-linked from political patronage, with competitively recruited management.

4: The management, protection and use of unclaimed assets

NESC considered a report by the taskforce on unclaimed financial assets in the country during its 15th NESC meeting. The report indicated that the current asset value may be in the range of Kshs 9 billion, and that the current practice and policy on such assets is unsuitable because:

- (i) the affected persons are not aware of their rights to reunification with their assets,
- (ii) there is no proper institutional and legal framework

- (iii) co-mingling of funds is permitted,
- (iv) there is lack of mandatory reporting to a regulator or agency and,
- (v) the lost opportunity to invest these assets in economic development.

NESC then recommended that an appropriate policy framework be developed and an enabling law be passed to focus on key areas such as identification of holders of unclaimed assets, and management, protection and usage of unclaimed assets, among others. The Ministry of Finance was tasked to take the lead in this.

5: Kenya-US cooperation/links

The 17th full Council meeting considered the current geo-political situation, especially in view of the change of leadership in the US. Based on the reviews and the evidence presented, it was recommended that the Government considers the strengthening of Kenya-US cooperation by pursuing opportunities in the US in line with Vision 2030 such as investment, tourism, technology transfers and export markets.

NESC also recommended a five-year Business Visa for the US business community to attract investors, as well as the designing and development of Kogelo Museum.

6: Meeting Kenya's energy demand for Kenya Vision 2030

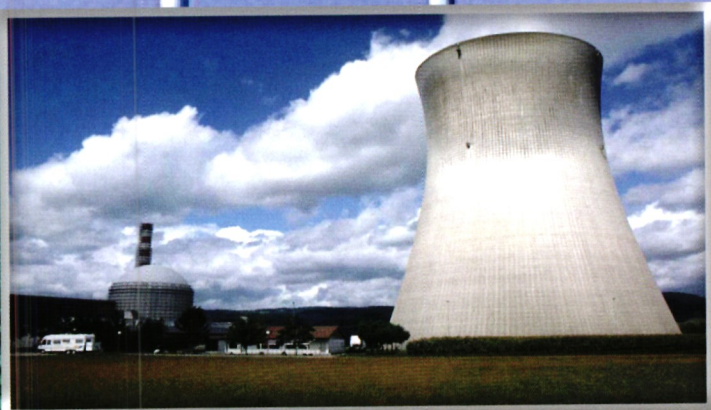
During the 17th NESC meeting held on May 29-30, 2009, the Council considered a progress report by the Ministry of Energy in response to the recommendations given in its previous meeting. Issues discussed in the report included:

- A realistic projection of electricity demand,
- Strengthening of the technical capacity of the Ministry of Energy, and
- Fast-tracking of construction of several power generation plants.

Members expressed concern over the low generation capacity of the proposed plants. Further, the Council was concerned by the continued drought and low water levels in hydro-power dams, which was affecting power generation, and the negative impact of this to the economy. After deliberations, the Council recommended that total electricity supply capacity in the country be increased urgently to a minimum of 5,000MW since sufficient and affordable energy attracts investors and will greatly provide the much needed boost to the industrialisation process. It also recommended that geo-thermal power projects should be given more emphasis as an alternative source of cheaper and reliable energy, and that the use of nuclear power technology be considered as a realistic, feasible and safe option for Kenya, hence the need for its exploration with assistance from local and foreign experts.

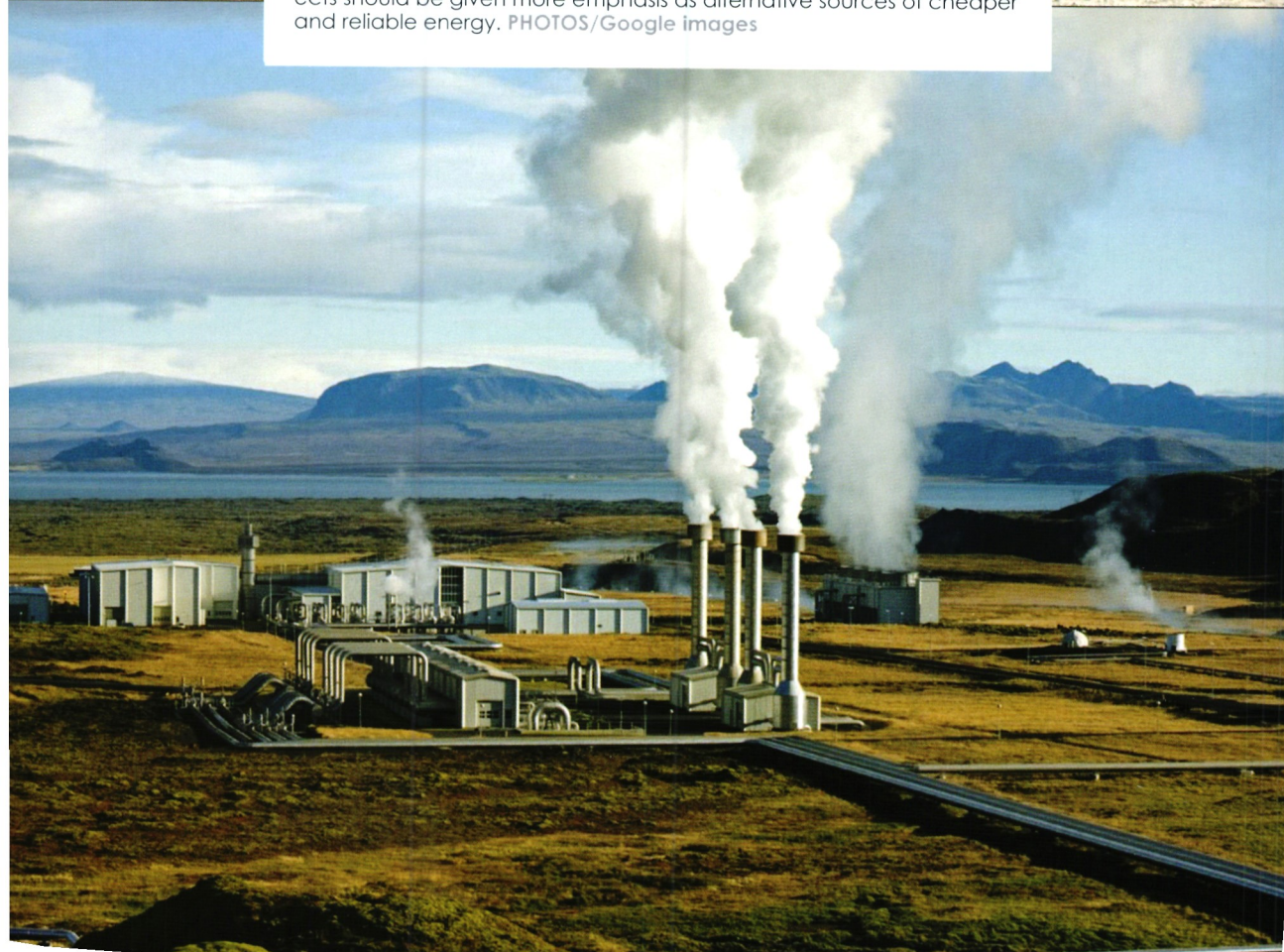
The Council further recommended the strengthening of the

The Council proposed the exploration of alternative sources of energy, such as wind and nuclear, as realistic, feasible and safe options for Kenya. PHOTO/ Google images





NESC recommended that solar energy and geo-thermal power projects should be given more emphasis as alternative sources of cheaper and reliable energy. PHOTOS/Google images



capacities of the Ministry of Energy and its related agencies by recruiting appropriate staff and setting up a National Energy Institute while utilising local and foreign experts. It mandated the Ministry of Energy and the NESC Sub-committee on Energy to take up the above proposals and present an updated paper to the Council for consideration.

7: Promoting the productivity and competitiveness of Kenya

NESC advised on the adoption and development of productivity and competitiveness in Kenya to deliver a globally competitive country, especially using the cluster approach. Following this recommendation, a draft national policy on Productivity and Competitiveness has been developed and is being progressed by the business sector programme support with co-ordination from the Ministry of Trade. A national report on Productivity and Competitiveness Strategy in Kenya will be produced soon.

8: Establishment of Special Economic Zones (SEZs) as the model of industrialisation and an enabler for competitiveness

In February 2009, the Cabinet approved the establishment of the Athi River Basin Industrial Corridor (ABIC) to accommodate a free trade zone, a free port, a BPO park, an SME park and a High Technology Park along the stretch of the railway line from Mombasa to Nairobi. During its 17th meeting, NESC

considered this issue in detail and advised the adoption of practical and realistic strategies towards the establishment of these Special Economic Zones (SEZs). A consultative initiative with the best practice models like Singapore is in gear, and a report on National Industrialisation benchmarked on these best practices is in progress. The Council further recommended the establishment of an import-export bank to facilitate financing of trade and industrialisation.

9: Land administration and policy in line with Kenya Vision 2030

During its 16th meeting held on March 27-28, 2009, NESC received a progress report on the development of a Draft National Land Policy in Kenya by the Ministry of Lands. The Council was informed that the policy document would be tabled in Parliament soon, and it noted that it will be important to embed the policy in the proposed new Constitution to give it the necessary legal backing. It recommended that factors affecting investor confidence be addressed as a matter of urgency, and that the Government should set aside adequate funds to buy land for the new Special Economic Zones approved by the Cabinet.

The Government was advised to formulate a policy to eliminate land speculation and to consider a policy setting up the minimum and maximum acreage of land that an individual can own. The Council further noted that by 2030, Kenya will be largely urbanised, and that the most important factors of

production then will be knowledge, human resources and capital, not land. This, the Council advised, should be the long-term policy emphasis to the citizens.

10: Tackling the effects of the global financial crisis in Kenya

The 17th NESC meeting engaged with the Kenya Association of Manufacturers (KAM) and other private players on the opportunities and challenges posed by the global financial crisis. Following this forum and deliberations, NESC recommended continued monitoring and proactive management of the effects of the crisis in Kenya. It then set up a sub-committee to deliberate on the effects of the crisis and propose mitigation measures for Kenya. The sub-committee was also requested to advise NESC on the appropriate measures and actions to mitigate the effects of the crisis.

11: Modernising the national infrastructure for the Kenya Vision 2030

During the 17th NESC meeting, the Council considered a brief on the ongoing infrastructure projects aimed at meeting the transport needs of the Kenya Vision 2030. These included: modernisation of the Jomo Kenyatta International Airport; improvement of Kisumu, Wilson, and Wajir airports; expansion of the Mombasa Port container terminal; dredging of Mombasa Port; development of Dongo Kundu free port



and construction of a standard-gauge railway line between Kenya and Uganda.

NESC was further apprised on the proposed Lamu-Sudan and Ethiopia transport corridor, which will traverse Samburu, Isiolo and Lokichogio, leading to the establishment of new resort cities in Lamu, Isiolo and Lake Turkana. The Council supported the rapid implementation of this project on a Build-Operate-Transfer (BOT) basis. It recommended that adequate financing be secured to implement the projects

within the shortest time frame, and that the legal framework for Public Private Partnership (PPP) be revised and simplified to facilitate speedy implementation of the projects. NESC noted that the steps followed from project design to implementation (project cycle) should be streamlined to accelerate the implementation process and reduce delays, and that government-to-government cooperation approaches could be used to speed up the process.

The Government was advised to adopt the 'Design and Build' approach as part of the 'Business Unusual' paradigm shift. In order to address the common problem of industrial accidents and inefficiencies associated with single-lane railway lines, the Council suggested that rail design be based on the standard gauge (dual and electric) model found in developed countries. An integrated master plan for Lamu and Mombasa, the Council advised, should be developed to include housing, roads, industries, social amenities, environmental issues and resort cities, among others. The Ministry of Transport was tasked to lead in this action.

12: Enhancing food supply and security

During the 16th meeting, NESC deliberated on the report of the State of Economy and commended the Government's efforts aimed at increasing food supply at affordable prices. It underscored the importance of paying close attention to the needs of poor and vulnerable groups. Some of the immediate assistance to the sector, it advised, include the removal of duties

on maize imports during the current food shortage, investment in a fertiliser production factory to serve the country and the region, development of major irrigation schemes to harness water for agricultural production in order to stop the current over-reliance on rainfed agriculture, and the embracing of modern technology for high-yielding, drought-resistant and early-maturing crops that use little water.

2.2 Follow-up on policy recommendations from prior period (2004-2007)

During the year, NESC received update reports on the progress made regarding its policy recommendations to the Government before 2008. The major ones are discussed below:

(i) Kenya Vision 2030: The Vision Delivery Secretariat (VDS) is now operational (under the Ministry of Planning, National Development and Vision 2030). Dissemination of Vision 2030 material is ongoing and implementation of 2008-2012 MTP flagship projects has gathered momentum.

(ii) Building a positive image for Kenya, locally and internationally: A Brand Kenya Board and a State corporation in the Ministry of Information and Communication were established in March 2009. The development of a country Brand Master Plan is in progress.

(iii) Making Nairobi a regional services hub: The Ministry of Nairobi Metropolitan Development was created in April 2008. Thereafter, the Ministry developed the Nairobi Metro 2030 plan, dubbed the 'Nairobi Metro 2030 Strategy', which was launched by H.E. the President and the Rt Hon. Prime Minister in December 2008. In consultation with its stakeholders, the Ministry has also developed a Draft Metropolitan Bill that will be tabled in Parliament soon.

(iv) Initiation of Science, Technology and Innovation Policy: The Ministry of Higher Education, Science and Technology was created in April 2008. The drafting of a Bill on Science, Technology and Innovation is at an advanced stage.

(v) Initiation of Integrated Employment Creation: The National Policy for the Youth Polytechnic and Vocational Training Sector has been developed and is awaiting approval by Parliament. Following NESC recommendations, the Government has undertaken several initiatives such as the Youth Master Plan, the Kazi Kwa Vijana initiative, the Youth Development Programme, the engagement of the youth in Public Works programmes, and the development of youth polytechnics using devolved funds.

This initiative will receive a significant boost once graduates from the polytechnics start getting preferential treatment on public works contracts at all levels. In this regard, KIPPRA is assisting NESC to study and understand the nature of unemployment in Kenya and possible solutions.

(vi) Infrastructure Bonds: The first *Infrastructure Bonds Conference* was held in October 2008. A working group was formed thereafter to pursue the outcome of the conference and has prepared a report. Consequently, the Public-Private Partnership (PPP) rules and guidelines have been fast-tracked and gazetted. The Treasury has already floated an infrastructure bond to finance infrastructure projects in Kenya. NESC has also recommended the fast-tracking of the modernisation of the roads and railway infrastructure in Kenya using such funds.

(vii) Value addition: Various initiatives are ongoing, such as value addition on cotton, hides, skins and leather products. Value addition on tea is in progress while that on nuts and edible oils is yet to be undertaken.

(viii) Embracing economic diplomacy: Through the initiative of NESC, the Ministry of Foreign Affairs has prepared a draft foreign policy that is at various stages in the approval process. The Ministry has also started sourcing staff of high professional integrity.

(ix) Development of a trade and industrial policy for Kenya: Follow-up initiatives in this respect include the Trade Policy and Industrialisation policy papers, a Cabinet memorandum approval in February 2009 for the establishment of Special Economic Zones, and affirmative action in procurement for MSMEs.

(x) Integrated Population Registration System (IPRS): A taskforce was set up to develop a policy framework on IPRS

following the approval of a Cabinet memorandum on IPRS. The ICT project was awarded to EDAPS Consortium and the implementation done through the firm's consultancy. In September 2008, NESC undertook a study tour of Ukraine to benchmark on best practice on IPRS issues. Thereafter, the Department of IPRS was established and a Draft IPRS Bill is in progress.

(xi) Harmonisation and utilisation of all devolved funds:

The Ministry of Planning, National Development and Vision 2030 has revised the District Focus for Rural Development to harmonise all devolved funds, including the Constituency Development Fund (CDF), the Local Authority Transfer Fund (LATF), the Bursary, Fuel Maintenance Levy funds, the Constituency Aids Control Fund, Poverty Eradication funds, the Youth Enterprise Fund, Sports funds, and the Women Fund, among others. A draft Cabinet memorandum on the District Focus for Rural Development is awaiting approval.

(xii) Formation of Civil Works Unit in the Department of Defence akin to US Corps of Engineers:

The initiative proposes to involve the military in the implementation of infrastructure projects. A formal communication with the Department of Defence and follow up action are in progress.

(xiii) Drought and Floods Control Management:

From this initiative, the Ministry of Northern Kenya Development and Other Arid Lands was established in April 2008. The National Water Master Plan is being reviewed and benchmarked with other best practices in countries like Malaysia and Israel. The ministries of Agriculture, Water and Irrigation,

Northern Kenya Development and Other Arid Lands and NESC undertook a study tour of Israel on Agri-tech and Water Harvesting Technologies. A taskforce under the Ministry of Water and Irrigation is working on the Water Sector Strategic Plan.



The Kenya delegation on a study tour of Israel on food security and water harvesting technologies during the 17th International Agricultural Exhibition, May 2009. PHOTO/ NESC Secretariat

Chapter

3

STUDIES AND REPORTS

3.1 Overview

In order to provide evidence-based policy advice to the Government, NESC organises researches and stakeholder engagements on specific issues from time to time. The engagements made during the year can be classified into four categories:

- Proceedings of stakeholder conference with inputs from experts
- Applied research on socio-economic policy
- Reports by taskforces
- NESC Secretariat research/consultancy reports

Outputs from these four types of engagements are summarised in the sections below.

3.2 Proceedings of stakeholder conference with inputs from experts

In this category was the first *Infrastructure Bonds Conference* whose proceedings were compiled by an inter-ministerial team led by Dr. Julius M Malombe, Research Fellow, NESC.

Infrastructure Bonds: Prospects, Opportunities and Issuance Processes in Kenya

Kenya's growth potential has over the years been constrained by inadequate infrastructure. Transport, energy, water and sewerage infrastructure have, in particular, suffered from years of underinvestment. It is recognised that infrastructure forms the spine around which other development programmes in a country flourish.

In furtherance of the resolve to promote the raising of long-term funds to finance the country's infrastructure, the Government organised a successful first ever *Infrastructure Bonds Conference* in October 27th-28th, 2008 at the Kenya School of Monetary Studies, Nairobi. The primary objective of the conference was to sensitise State corporations and municipalities on how to tap into the Stock Exchange by issuing bonds to finance their infrastructure projects, which usually require large capital outlays.

Bonds are of various types and share certain common attributes, including infrastructure bonds. The capital and financial markets that are the denizen of infrastructure bonds must operate efficiently if they are to positively impact on the practice of using bonds to raise project finance. The comparison between debt capital markets' funding on the one hand, and bank loan financing on the other, is very critical to issuers when making a decision to raise capital as these modes are complimentary to each other.

The review of strategic plans and financial reports reveals the following institutions could spearhead issuance of Infrastructure Bonds in Kenya: Kenya Airports Authority (KAA), the Kenya Ports Authority (KPA), the Kenya Electricity Generating Company Ltd. (Kengen), the Kenya Power & Lighting Co. Ltd. (KPLC), the National Housing Corporation (NHC) and the Kenya Wildlife Service (KWS). These institutions have strong balance sheets and sound financial bases that can support a reasonable bond repayment programme.

(The Infrastructure Bonds report is being reviewed for publication.)

3.3 Applied research on socio-economic policy

This category had two reports that were produced by KIPPRA for NESC as discussed in sections 3.3.1 and 3.3.2 below:

3.3.1 Unemployment in Kenya: A Situational Analysis

Unemployment in Kenya is the subject of intense debate and discussion, especially in the aftermath of the violence that followed the December 2007 General Elections. Unemployment, and youth unemployment in particular, has been singled out as a potential contributing factor to the post-election violence.

This notwithstanding, policymakers and other stakeholders should be concerned about high unemployment for a number of reasons. Firstly, the unemployment rate is a key macro-economic indicator, whereby a low unemployment rate indicates a healthy economy. In developed economies such as the USA, the unemployment rate is closely watched. Secondly, unemployment symbolises a waste of resources because idle labour could be deployed to increase output and growth. Indeed, it is widely believed that there is an inverse relationship between changes in unemployment and in the real GDP.

Thirdly, unemployment is associated with economic hardships such as loss of income and reduced chances of

future employment for individuals and families. And, finally, unemployment is linked to various social problems such as criminal activity, drug addiction, psychological disorders and loss of self-confidence.

Understanding the nature and causes of unemployment in Kenya is important. In 1998/9, the overall open unemployment rate in Kenya was 14.6 per cent, with an urban unemployment rate of 25.1 per cent and a rural unemployment rate of 9.4 per cent. In 2005/6, the overall unemployment rates increased to 19.9 per cent. To address the unemployment problem, evidence-based policies, programmes and projects are needed. However, to identify the information gap, a survey of the current situation is required.

The number of Kenyans openly unemployed was 1,800,623 in 1998/99 based on the Integrated Labour Force Survey. In 2005/2006 the number was 1,856,294 based on the Integrated Household Budget Survey. The number of those considered employed was 10,525,609 in 1998/99 and 12,708,035 in 2005/2006.

In 2005/2006, a total of 6,000,000 Kenyans were self-employed in agriculture. The open unemployment rate among the youth aged 15-24, as estimated by the Kenya National Bureau of Statistics, was 24 per cent compared to an overall open unemployment rate of 12.7 per cent.

The most frequent explanations for the causes of unemployment in Kenya include: rapid population growth, poor dissemination of labour market information, skills

mismatch, structural reforms, slow or declining economic growth, and high costs of labour. The main problem in Kenya appears to be that millions of workers are engaged in some activity but the earnings received are not adequate to put them above the poverty line. Hence there are many “working poor.”

*(These findings were presented to the 15th full NESC meeting in January 2009. The full report is available at the NESC Resource Centre, 1st Floor, KICC, Nairobi and on the NESC website - www.nesc.go.ke. Arising from this study, NESC has commissioned KIPPRA to carry out a follow-up study: **Unemployment in Kenya: Proposed Interventions.**)*

3.3.2 Poverty, Incomes and Inequality in Kenya

The Kenya Government identified poverty as a major problem soon after independence, and many policies, programmes and projects targeted at poverty alleviation have been designed and implemented. The development strategies that the country pursued aimed at poverty reduction, placed emphasis on income growth, job creation and provision of basic social services. However, poverty continues to afflict a large segment of the Kenyan population. The 2005/6 Household Budget Survey estimated that 45.9 per cent of the urban population lives below the poverty line, and this percentage is likely to have increased due to the recent post-election violence.

Approximately 49.1 per cent of the population in rural areas and 33.7 per cent in urban areas were poor in 2005. The high poverty incidence in Kenya poses a serious development challenge. In recent years, there has been intense debate about pro-poor growth, which is an attempt to ensure that the poor stand to gain from economic growth. While it is widely agreed that economic growth is critical for poverty reduction, the response of poverty to economic growth differs across countries.

There is need to implement policies to check income inequality and poverty by the use of progressive income and wealth taxation as well as use of public transfers, goods and services. Increased investment in human capital through provision of basic social services can generate relatively higher returns for the poor than the non-poor, because of relative scarcity of human capital stocks.

Studies in Kenya show that the poor are mainly engaged in agricultural activities and informal sector activities in rural and urban areas respectively. An institutional framework to lay out conditions for land ownership and land use, such as leasehold contracts or share tenancy contracts is required. There is need to implement policies to check income inequality and poverty by the use of progressive income and wealth taxation as well as use of public transfers, goods and services. Increased investment in human capital through provision of basic social services can generate relatively higher returns for the poor than the non-poor, because of relative scarcity of human capital stocks.

Since economic decisions are related to the power balance, it is essential for the poor to be fully accommodated in decision-making and be empowered to make sound economic decisions. This will enable them to articulate their needs, and enhance ownership of projects and programmes meant to improve their welfare. While risk and uncertainty are pervasive in many economic and social settings, the poor often have limited capacity to handle shocks (health, economic) and natural calamities. Consequently, poverty eradication initiatives should include mechanisms to build the capacity of the poor to handle shocks.

Overall, there is relatively little empirical evidence on growth and poverty relationship and a research agenda should be developed on this topic to bring about deeper understanding of the link between poverty, economic growth and income inequality in Kenya.

(These findings have not been presented to NESC yet, pending final expert validation. A draft of the full report for discussion is available at the NESC Resource Centre, 1st Floor, KICC, Nairobi and on the NESC website - www.nesc.go.ke)

3.4 Reports by taskforces

NESC has undertaken one engagement on the 24-hour economy which was an inter-ministerial taskforce led by Dr.



The NESC taskforce on the 24-hour economy strategy in session at the NESC boardroom at the KICC, Nairobi. Photo/ NESC Secretariat

XN Iraki, Research Fellow, NESC.

3.4.1 24-Hour Economy: Kenya's New Frontier for Economic Development

The 24-hour economy strategy is a public/private sector collaborative initiative that was jointly spearheaded by NESC and the Ministry of Nairobi Metropolitan Development. In addition to other government ministries, the taskforce also brought together other stakeholders such as the Nairobi Central Business District Association (NCBDA), the Kenya Private Sector Alliance (KEPSA) and other private organisations. The initiative stems from a harmonisation of the major political parties' manifestos following the formation of the Grand Coalition Government of Kenya in February 2008. It has the

support of the Government at the highest policy-making levels, as shown by the August 2008 presidential decree to open border points and the Mombasa Port for 24 hours, seven days a week. A 24-hour economy is not a new idea in Kenya. Some sectors of the economy, such as the security and health services, already operate 24 hours a day all year long. What is needed is the adoption of this strategy in more sectors of the economy. This would help to create the appropriate synergies and momentum that will aid in propelling Kenya towards the desired middle income economic status by the year 2030.

Among the longer-term (five to fifteen years) infrastructural recommendations for the proper development of a functioning 24-hour economy, the following are most significant: development of an integrated Metro Mass Transit Authority (MTA), the introduction of a central ticketing system for the MTA, security cameras in all bus, train and other metro stations and routes, in addition to the on-board cameras, mandatory water-harvesting and gathering equipment on all CBD buildings and metropolitan business buildings, mandatory solar energy cells on all CBD and metropolitan business buildings, construction of high-rise apartment buildings in the CBD so that people live in town to reduce the demand on mass transport activities and help improve all-round security (more people, fewer criminals).

(This report has not been presented to NESC yet, pending final expert validation. A draft of the full report for discussion is available at the NESC Resource Centre, 1st Floor, KICC, Nairobi, and on the NESC website: www.nesc.go.ke.)

3.5 NESC Secretariat research and consultancy reports

This category had two reports that were finalised as discussed in sections 3.5.1 and 3.5.2 below:

3.5.1 NESC Communication Policy and Strategy Framework

The need for improved formal communication between NESC and the stakeholders was identified in the NESC Medium Term Strategy 2008-2012. Thus, in June 2008, NESC engaged a consultant to advise on this subject. The initial report has been received and reviewed by the NESC Secretariat, sponsors and some NESC members and their input incorporated. The final report is expected in August 2009 and shall be implemented thereafter. It is expected that this will enhance stakeholder contribution and create buy-in of the work of NESC since the recommended policy is based on stakeholder expectations.

The report identifies the four pillars of NESC communication policy as:

- Inclusiveness: - by ensuring that all stakeholders have access to information about NESC.

- Diversity in information: - through content and forms of dissemination and communications.
- Participatory dialogue and communication amongst the stakeholders.
- Right to information by stakeholders.

The strategy sets out to create a NESC public and members' sphere and a communication space in which there is exchange of information and ideas through the traditional and modern methods of communication.

3.5.2 Policy Guidelines for Publication and Dissemination of NESC Publications

Guided by the recommendations of the Communications Policy and Strategy Framework paper, NESC commissioned Prof Tom P.M. Ogada, one of its Research Fellows, to lead the preparation of publication guidelines. The Research Fellow was requested to: (i) review the types of publications that are frequently used by large organisations, (ii) examine NESC's across the globe and understand their organisation structures, work methods and publication strategies, and (iii) using the information gathered, propose publication guidelines for NESC.

The main objective of the publication guidelines is to provide

a standardised framework and a tool for the management of publications by NESC. The guideline answers pertinent questions such as: What should be published, how it should be published and by whom and in which format? The guidelines will therefore contribute towards promoting the publication and dissemination of NESC reports and thus enhancing communication between NESC and its stakeholders.

The review included the Malaysian Economic Action Council (MEAC) and the Danish Economic Council (DEC), both of which have had a close working relationship with NESC in the past.

The review examined the similarities and the uniqueness of the Kenyan NESC compared to those of over 20 other economic and social councils. This study revealed that several types of publications are usually made by NESC.

(This report has now been completed and produced in three parts. The NESC Secretariat has applied its recommendations in the writing of this annual report. A detailed report is available at the NESC Resource Centre).

Chapter

4

OPERATIONS AND ACTIVITIES

4.1 Human resource development

4.1.1 Staffing

The day-to-day activities of NESC are facilitated by a secretariat that is based on the 4th Floor at the KICC, Nairobi. The staff comprises 12 permanent and pensionable staff; four contract staff; three research fellows and one research associate. A team of interns seconded to the Secretariat also contributes to the administrative functions of the Council. *Annexes 3 and 5* to



NESC Secretariat staff during a team-building event on top of Mt Longonot, Naivasha on 6th December, 2008. PHOTO/NESC Secretariat

this report show the approved organogram, staff photographs and the positions held.

Five of the NESC staff are in management. These are: the NESC Executive Secretary, the NESC Director, Economic Sector (who deputises the Executive Secretary and also manages the UNDP/DANIDA BSPS project); the Policy Analyst, who is also the Personal Assistant to the Executive Secretary; the ICT/WEB Manager, and the Administrative Officer.

4.1.2 Capacity building and staff development

The permanent and pensionable staff are trained under the civil service training programme that is administered by the



The Kenya delegation and its hosts during a tour of Singapore in March, 2009, which was aimed at learning from the housing and industrialisation experiences of the country. PHOTO/NESC Secretariat

Ministry of State for Public Service through the Presidency and Cabinet Affairs Office. Under this programme, eight members of staff attended the following courses: Advanced IT for Auditors and Accountants; ISO training; Higher Diploma in Secretarial Management; a Secretarial Course at ESAMI, a capacity building programme for support staff; and Diploma in Secretarial Management.

Training for the contract staff is not covered under the civil service training programme, therefore their training is carried out through the capacity building BSPS project funded by UNDP and DANIDA. Under this arrangement, the staff members were involved in 15 capacity building engagements

in the form of specific training programmes, conferences, workshops, seminars and several study tours that were geared towards benchmarking on the best practices in the world. The visits were made to: Zimbabwe, Egypt, South Africa, Ukraine, China, India, Israel, Canada and Singapore as indicated in the outline of capacity building engagement in *Annex 6*. *Annex 7* to this report provides an assessment of the coverage of capacity building for all staff members.

To improve its capacity in policy research and analysis, NESC appointed three research fellows and one research associate in August 2008 under the BSPS project. Another related activity was the appointment by the Government of Dr Victor Koh, a NESC member from Singapore, to support NESC on industrialisation and housing development matters.

Following this arrangement, NESC invited Surbana Technologies, an agency of the Government of Singapore, to Kenya to share their expertise and experience in spatial planning and housing development with officials of the Kenya Government.

4.2 Finances

The operations of NESC are funded from two sources: the Exchequer and the BSPS project under the support of DANIDA and UNDP. At the beginning of the year, separate annual budgets for the Exchequer and the BSPS component are prepared and broken into quarterly phases. Thereafter, actual performance is reviewed and compared to the budget every

quarter. The funds from the Exchequer are allocated through the Government-budgetary process and are administered through the IFMIS accounting software that is centrally operated by the Treasury for all the financial activities of the Central Government. On the other hand, the BSPS component is managed by UNDP offices in Gigiri, Nairobi.

This is guided by an annual zero-based activity budget that is drawn jointly between DANIDA, UNDP and the NESC Secretariat. The budget/workplan is anchored on specific activities to support the three pre-agreed outputs that were set out during the initiation of the BSPS projects in 2007:

- NESC capacity building
- Public and private sector engagement and interaction
- Promoting a conducive business environment.

NESC has no bank account and therefore it does not prepare its own financial report.

4.3 Highlights of activities in 2008-2009

The four NESC meetings held during the year enjoyed good attendance, where the Council achieved an annual average attendance rate of 75 per cent. The following are the highlights of the year.

4.3.1 Facilitation of NESC Sub-committees

The Secretariat facilitated the setting up and operationalisation of all the seven sub-committees by seeking membership, organising the adoption of uniform terms of reference and participating in all their sessions. These sub-committees are listed in Annex 2 of this report.

4.3.2 Taskforces and Working Groups

On a need basis, the NESC Secretariat organises meetings to facilitate dialogue between public/private/civil society and academia to discuss selected policy agenda. This involves setting up and facilitating taskforces to engage on specific policy formulation initiatives. Some taskforces which were set are Industrialisation and Housing, Productivity, Strategy Towards a 24-Hour Economy, Infrastructure Bonds and Water Sector Strategic Plan.

4.3.3 Infrastructure Development

In October 2008, NESC co-sponsored and co-organised the first *Infrastructure Bonds Conference* in Kenya. Building on this conference, the Central Bank of Kenya issued a Kshs 18 billion Infrastructure Bond which was over-subscribed by 44 per cent. This over-subscription has generated a lot of interest in the Infrastructure Bond funding model among stakeholders.

In October 2008, NESC co-sponsored and co-organised the first Infrastructure Bonds Conference in Kenya. Building on this conference, the Central Bank of Kenya issued a Kshs 18 billion Infrastructure Bond which was over-subscribed by 44 per cent. This financing model will be applied in future to fund road construction in the country. Photo/Internet sources



NESC has now recommended the use of this model to fund the modernisation of major roads and the railway infrastructure benchmarked on the best practices globally. Following the success of the conference, the NESC Secretariat has also been invited to make presentations on infrastructure and, therefore, help to mainstream the Infrastructure Bond funding concept in various stakeholders' forums as listed below-:

- 24th February 2009, PriceWaterHouseCoopers, breakfast meeting with selected State corporations on **The Government of Kenya Agenda on Infrastructure Financing,**

- 26th February 2009, Institute of Certified Public Accountants of Kenya, 17th Economic Symposium on **Infrastructure: A Driver to Economic Growth,**
- 30th June 2009, African Bank Forum on **Driving Trade and Growth-Investment in Infrastructure.**

For wider communication, the proceedings of the *Infrastructure Bonds Conference* have been captured in a NESC publication titled *Infrastructure Bonds: Prospects, Opportunities and Issuance Processes in Kenya* which is currently in review.

4.3.4 Addressing the Global Financial Crisis

Beginning October 2008, NESC has supported a better understanding and appreciation of the global financial crisis in relation to Kenya. The key initiatives that NESC was involved in included: a public lecture at the University of Nairobi; an experts' seminar at Holiday Inn, Nairobi; meetings with the private sector; presentations to the PCEA Evergreen Church, Runda; facilitation of a CBK-hosted forum at Hilton Hotel, Nairobi; and a breakfast meeting with KAM on March 28, 2009.

4.3.5 Dissemination of Kenya Vision 2030

The Secretariat was involved in disseminating Kenya Vision 2030 to over 20 forums during the year. Some of these

engagements include: NGOs annual post-budget briefing; Hand Maidens prayer meeting; Ministry of Foreign Affairs, Foreign Affairs Institute; PCEA Leadership at St. Andrew's Church; Teachers Without Borders; Unilever; Ministry of Industrialisation; and the Masinde Muliro University of Science and Technology Council Members Retreat.

Others were newly appointed Kenyan diplomats; Hadassah Women Initiative; PCEA members and residents of Runda estate; Think Tank conference in Cairo, Egypt; K-Group Consultants workshop; Kenya Institute of Planners (KIP) annual conference; Kenya National Prayer Day breakfast meeting; Africa bank-to-bank forum; Marketing Society of Kenya, Career for Life International, etc. The audience was enthusiastic on the rationale and the plans of Vision 2030.

4.3.6 The Energy Challenge

The urgent need to review the country's energy policy was underscored by NESC in various meetings. In this regard, several initiatives have been undertaken to ensure adequate and affordable energy is availed to the country, especially taking into account the expected increase in power demand arising from the Kenya Vision 2030.

Through NESC's interventions and recommendations, the generation of power from wind, geo-thermal, coal-fired and gas-powered plants in Mombasa has been expedited. These initiatives are aimed at growing the country's energy generation capacity from the current 1,280MW to 3,280MW by 2012.

Above all, a taskforce on the generation of renewable energy has been set up and is chaired by the Prime Minister, the Rt. Hon. Raila Odinga.

4.3.7 Dialogue/Engagements/Partnership with stakeholders

NESC continued to nurture its special links with the Government, the private sector, the civil society, the media and research and educational institutions during the period. These engagements were in various forms, among them: communicating and follow-up of NESC recommendations; sub-committee and taskforce meetings; working groups; workshops; seminars; conferences; studies; presentations; round-table meetings; breakfast meetings; public lectures; and study tours.

4.3.8 Monitoring and Evaluation

In every Council meeting, the Ministry of Planning, National Development and Vision 2030 presents an update on the state of the Kenyan economy. Also presented are progress reports on the implementation of Vision 2030 by line ministries, as well as the operationalisation of the Vision Delivery Secretariat (VDS).

The VDS has a critical role in that it is tasked with coordinating the implementation of flagship projects within the Kenya

Vision 2030. NESC has used this information to make a number of recommendations to the Government on a variety of policy matters.

4.3.9 Annual Report and NESC brochure

This Annual Report for Year 2008-2009 is the first since NESC started its operations in January 2005. In June 2009, the Secretariat also prepared and printed an updated brochure that captures the latest activities of NESC.

4.3.10 Commissioned Research Studies and Reports

Under the auspices of the BSPS Project, NESC was able to carry out research studies and commission consultancies using funding from DANIDA and UNDP. The research studies and consultancies that were commissioned and completed include:

(i) Unemployment in Kenya: A Situation Analysis
by KIPPRA,

(ii) Growth, Poverty and Inequality in Kenya: Suggested Policy Intervention by KIPPRA,

(iii) Communication Policy and Strategy Framework for NESC by a consultant, George Okado,

(iv) Guidelines for Publication and Dissemination of NESC Papers by NESC Research Fellow Prof. Tom Ogada,

(v) A 24-Hour Economy: Kenya's New Frontier for Economic Development. Consultative meetings involving the private sector, government ministries, the media and the civil society, among others. Effort led by NESC Research Fellow, Dr XN Iraki, and

(vi) Infrastructure Bonds: Prospects, Opportunities and Issuance Processes in Kenya. Compilation of proceedings was done by NESC Secretary; NESC Research Fellow, Dr Julius Malombe; Joyce Njuguna (Ministry of Finance); Patrick Okoth (AG's Chambers); Jairus Muaka (CMA); Ivy Ngana (CMA); and Charles Ocholla (Suntra Investment Bank). •

(A summarised version of all the completed studies/reports is outlined in Chapter 3 of this report).

Chapter

5

FUTURE OUTLOOK

The activities of NESC in the near future will be informed by the ongoing projects and the need to address strategic national issues. The determination and selection of policy agenda will, in turn, be anchored on the framework of the NESC Medium Term Strategy and emerging national issues.

To progress ongoing projects, the four pending policy agenda that were identified in 2008-2009 will be considered and proposals made to the Government. These are: Food Security and Water, National Industrialisation, Housing Development and Human Capital Development. At the same time, NESC will continue to follow up on the progress on the implementation of recommendations made in the past and pursue new ones.

The communication and dissemination operations of NESC are expected to increase significantly in the near future. This

will follow from;

(i) Employing the newly-installed knowledge-based information management system (KOHA Software) at the Resource Centre, and

(ii) Implementation of the newly-completed consultancy report, 'Communication Policy and Strategy Framework'.

Additionally, the recently completed Guidelines for Publication and Dissemination of NESC Papers report will be used to publish NESC material from past and current meetings and other events.

Looking into the future, some of the emerging challenges that may require further attention by the Council include: understanding the nature of ramifications as well as combating the effects of unfavourable climate conditions; and issues of harmony, inequality and policy implementation bottlenecks.

The intervention of the Vision Delivery Secretariat is expected to help improve the speed of implementation of Vision 2030 flagship projects.

In recognition of the fact that policy identification, generation and implementation are multi-stakeholder activities, the Council will endeavour to create linkages with other relevant institutions in its endeavours.

ANNEX 1

Matrix of key activities in 2008-2009 versus broad functions

ACTIVITIES	Facilitation of policy dialogue forum	Advisory role: making policy recommendations to the Government	Coordination of policy development	Knowledge mobilisation
JULY, 2008				
Proposal for local authorities committees on Jua Kali/SMES, Presentation at KICC on 3rd July 2008 (Director, ES)	✓		✓	✓
Media Policy workshop on 4th July 2008	✓			✓
NESC Secretary attended African Banking Congress in South Africa held on 7th July 2008	✓			✓
Vision 2030 dissemination at NGOs annual post-budget briefing, Holiday Inn, on 15th July 2008	✓		✓	✓

ACTIVITIES	Facilitation of policy dialogue forum	Advisory role: making policy recommendations to the Government	Coordination of policy development	Knowledge mobilisation
NESC Documentalist attended workshop on information management in Canada, 15th -17th July 2008				<input checked="" type="checkbox"/>
NESC Secretary and a Research Fellow trained on Global Competitiveness by Michael Porter, a Harvard professor, at Strathmore School, 16th & 17th July 2008				<input checked="" type="checkbox"/>
Director, Economic Sector disseminated Vision 2030 at a reconciliation meeting with Hand Maidens on 26th July 2008 at KICC	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>
NESC Secretary & Director Economic Sector attended a half-day workshop by KIPPRA on Land Issues in Kenya on 31st July 2008	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
AUGUST, 2008				
Three Research Fellows recruited in August 2008		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

ACTIVITIES	Facilitation of policy dialogue forum	Advisory role: making policy recommendations to the Government	Coordination of policy development	Knowledge mobilisation
Engaged a communication consultant to develop a communication policy and strategy on 4th August 2008	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>
Strategies Towards 24-hour Economy first consultative meeting was held on 8th August 2008	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
NESC Documentalist attended workshop on information management in Harare, Zimbabwe on 10th -14th August 2008				<input checked="" type="checkbox"/>
Presentation at NESC board-room on Aqua pro-water procedure for the 21st century on 12th August 2008 (NESC Secretary and Director ES)				<input checked="" type="checkbox"/>
Presidency and Cabinet Affairs Office staff trained on productivity and performance improvement at KIA on 18th August 2008				<input checked="" type="checkbox"/>

ACTIVITIES	Facilitation of policy dialogue forum	Advisory role: making policy recommendations to the Government	Coordination of policy development	Knowledge mobilisation
NESC Secretary & Ministry of Immigration officials visited Republic of Ukraine over Integrated Population Registration System (IPRS) issues on 24th August 2008				<input checked="" type="checkbox"/>
SEPTEMBER, 2008				
NESC Secretary, Director Economic Sector & Director Social Sector disseminated Vision 2030 and Economic Diplomacy to Foreign Affairs Institute at MFA on 2nd September 2008	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Director Economic Sector disseminated Vision strategy to PCEA leadership at St. Andrew's Church on 12th September 2008	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>
NESC Secretary and Director Economic Sector attended Strategies on Job Creation for Youth workshop by KEPSA at NESC boardroom on 19th September, 2008	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>

ACTIVITIES	Facilitation of policy dialogue forum	Advisory role: making policy recommendations to the Government	Coordination of policy development	Knowledge mobilisation
Director Economic Sector attended World Productivity Conference held in South Africa on 20th-25th September 2008				✓
OCTOBER, 2008				
14th NESC full council meeting held on 3rd – 4th October, 2008 at KICC	✓	✓	✓	✓
Esther Lusangalu attended a one-month secretarial course in October at ESAMI				✓
NESC, KAM and KEPSA breakfast meeting at Serena Hotel held on 4th October, 2008. Discussed Value Addition, Agriculture, Unemployment and Global Financial Crisis	✓	✓	✓	✓
Director, Economic Sector disseminated Vision 2030 to Teachers Without Borders on 7th October, 2008	✓			✓

ACTIVITIES	Facilitation of policy dialogue forum	Advisory role: making policy recommendations to the Government	Coordination of policy development	Knowledge mobilisation
Director Social Sector disseminated Vision 2030 to Unilever employees on 10th October, 2008	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>
Infrastructure Bonds Conference held on 27th-28th October, 2008	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
KIPPRA engagement on two reports on 29th October, 2008				
NOVEMBER, 2008				
NESC Secretary attended World Urban Forum in Nanjing, China, on 3rd November, 2008.				<input checked="" type="checkbox"/>
Director Economic Sector had an interview with the World Bank on the effects of crime on development on 3rd November, 2008.	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>

ACTIVITIES	Facilitation of policy dialogue forum	Advisory role: making policy recommendations to the Government	Coordination of policy development	Knowledge mobilisation
NESC members, Prof. Chege and S. Kilonzo, had a public lecture on the Current Global Economic Crisis: Effects on Kenya and Strategies to Mitigate the Effects, at University of Nairobi on 14th November, 2008	✓		✓	✓
Support to entrepreneurship and SME development at KICC on 17th November, 2008	✓		✓	
Experts' seminar on the potential threats and opportunities of the global financial crisis on the Kenyan economy at Holiday Inn, Westland's on 21st November, 2008	✓	✓		✓
DECEMBER, 2008				
NESC in collaboration with the Ministry of Transport held a consultative meeting on Mombasa Free Port on 1st December, 2008	✓		✓	✓
Rain water harvesting consultative meeting held on 2nd December, 2008	✓		✓	

ACTIVITIES	Facilitation of policy dialogue forum	Advisory role: making policy recommendations to the Government	Coordination of policy development	Knowledge mobilisation
NESC Secretary disseminated Vision 2030 to the Ministry of Industrialisation at KIRDI on 5th December, 2008	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
NESC ICT Manager took part in an ICT Bangalore tour in India on 8th December, 2008				<input checked="" type="checkbox"/>
NESC staff attended a team building workshop on HIV/AIDS dissemination held on 8th December, 2008				<input checked="" type="checkbox"/>
JANUARY, 2009				
Policy Analyst recruited on 5th January, 2009	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>
Commissioned a study on Guidelines for Publication and Dissemination of NESC papers				<input checked="" type="checkbox"/>

<p style="text-align: center;">ACTIVITIES</p>	<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Facilitation of policy dialogue forum</p>	<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Advisory role: making policy recommendations to the Government</p>	<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Coordination of policy development</p>	<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Knowledge mobilisation</p>
<p>NESC Secretary attended and disseminated the Kenya Vision 2030 case study at an international conference on The Role of Think Tanks in Developing Countries held in Cairo, Egypt on 15th -17th January, 2009</p>				<input checked="" type="checkbox"/>
<p>NESC Secretary disseminated The Role of Universities in Achieving Vision 2030 during a retreat for Masinde Muliro University of Science and Technology on Good Governance as a Strategy for Sustaining Quality University Education, held at Mombasa Beach Hotel on 27th January, 2009</p>				<input checked="" type="checkbox"/>
<p>15th NESC full council meeting held at the KICC on 23rd and 24th January, 2009</p>	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>

ACTIVITIES	Facilitation of policy dialogue forum	Advisory role: making policy recommendations to the Government	Coordination of policy development	Knowledge mobilisation
FEBRUARY, 2009				
Director Economic Sector facilitated on How to Align Foreign Missions to Vision 2030 held at KIA	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>
Josephine Mwaura attended a one-month secretarial course at ESAMI				<input checked="" type="checkbox"/>
NESC Secretary and Policy Analyst attended a World Bank presentation on Infrastructure in Africa held at Hilton Hotel on 3rd and 6th February, 2009				<input checked="" type="checkbox"/>
Food Security Consultative Meeting held at the Ministry of Agriculture on 6th February, 2009	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

ACTIVITIES	Facilitation of policy dialogue forum	Advisory role: making policy recommendations to the Government	Coordination of policy development	Knowledge mobilisation
Director, Economic Sector and Policy Analyst attended a presentation by NESC Secretary on the Government of Kenya's Agenda on Infrastructure Financing at a Price WaterHouse Coopers breakfast meeting held at Serena Hotel on 24th February, 2009	✓			✓
Director Economic Sector disseminated Vision 2030 to the Hadassah Initiative Group on 26th February, 2009 at Serena Hotel	✓			✓
NESC Secretary presented a paper on Infrastructure: A Driver to Economic Development at the 17th Economic Symposium of Institute of Certified Public Accountants of Kenya (ICPA(K)) held at Hilton Hotel on 26th February, 2009	✓			✓

ACTIVITIES	Facilitation of policy dialogue forum	Advisory role: making policy recommendations to the Government	Coordination of policy development	Knowledge mobilisation
MARCH, 2009				
Engaged Dr.Victor Koh as a consultant on the Industrialisation Process on 1st March, 2009		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
NESC Secretary and a Research Fellow at NESC presented Implication of Global Financial Crisis on You to the PCEA Evergreen Church and residents of Evergreen/Runda estate on 6th March, 2009	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>
NESC Secretary attended a workshop on International Consultative and Innovative Approach to Vision 2030 by K-Group Consultants held at Serena Hotel on 10th March, 2009	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>
Director, Economic Sector attended a UNDP audit exercise held at the Kenya School of Monetary Studies on 13th March, 2009	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

ACTIVITIES	Facilitation of policy dialogue forum	Advisory role: making policy recommendations to the Government	Coordination of policy development	Knowledge mobilisation
NESC Secretary, Director Economic Sector and Policy Analyst attended a CBK-hosted forum on Global Financial Crisis: Is Kenya Insulated or Isolated? held at Hilton Hotel on 17th March, 2009	✓			✓
NESC and Peak Performance & Transformative Leadership consultations on The Moral Foundations and National Values for Vision 2030 held at KICC on 18th March, 2009	✓		✓	✓
NESC Secretary and Dr. Victor Koh, under the industrialisation agenda, toured Mombasa Island, Port and Dongo Kundu on 20th March, 2009	✓		✓	✓
NESC and KAM organised a Private Sector Intervention and Engagement on Global Financial Crisis breakfast meeting at KICC on 28th March, 2009	✓		✓	✓
16th NESC Full Council meeting held at the KICC on 27th and 28th March, 2009	✓	✓	✓	✓

ACTIVITIES	Facilitation of policy dialogue forum	Advisory role: making policy recommendations to the Government	Coordination of policy development	Knowledge mobilisation
NESC and DOD consultative meeting on Infrastructure Development by Corp Engineers held at the DOD on 30th March, 2009	✓		✓	✓
APRIL 2009				
Presentations on Water Harvesting Environment by Arava Institute of Israel held at KICC on 2nd April, 2009	✓			✓
Workshop on Social Policy by the Ministry of Gender on 17th April, 2009	✓			✓
Dr. Victor Koh, the NESC Secretary, the Policy Analyst and the NESC IT Manager attended the NESC Industrialisation Sub-Committee consultative meeting held at Teleposta Towers on 27th April, 2009	✓	✓	✓	✓
Research Associate joined NESC in April 2009				✓

NESC ANNUAL REPORT, 2008-2009

ACTIVITIES	Facilitation of policy dialogue forum	Advisory role: making policy recommendations to the Government	Coordination of policy development	Knowledge mobilisation
Policy Analyst participated in a Taskforce on Water Sector Strategic Plan			✓	
NESC study tour to Singapore on Industrialisation and Housing in late March and early April 2009		✓	✓	✓
MAY, 2009				
NESC study tour to Tel Aviv, Israel on Food Security and Water Harvesting Technology during the 17th International Agricultural Exhibition on 4th -10th May, 2009		✓	✓	✓
NESC Secretary presented a paper titled Planning within the Context of Vision 2030 during the KIP annual conference on Housing the Urbanites held at Holiday Inn Nairobi, on 7th May, 2009	✓			✓
NESC and KEPSA round-table agenda consultative meeting held at KICC on 12th May, 2009	✓			

NESC ANNUAL REPORT, 2008-2009

ACTIVITIES	Facilitation of policy dialogue forum	Advisory role: making policy recommendations to the Government	Coordination of policy development	Knowledge mobilisation
NESC Secretary and Dr. Victor Koh tour industrialisation projects at the Athi Basin, and the Lamu port on 12th -14th May, 2009		✓	✓	✓
Director, Economic Sector and Dr. Victor Koh tour of industrialisation activities in Kisumu and Eldoret on 15th -17th May, 2009.		✓	✓	✓
Breakfast seminar with stakeholder ministries on Special Economic Zones on 19th May, 2009	✓	✓	✓	✓
Surbana Technologies — housing consultants — delegation from Singapore tour of Kenya on 17th - 20th May 2009 (made an urban planning tour of Mombasa, held breakfast meetings and other sessions with various ministries)	✓	✓	✓	✓

NESC ANNUAL REPORT, 2008-2009

ACTIVITIES	Facilitation of policy dialogue forum	Advisory role: making policy recommendations to the Government	Coordination of policy development	Knowledge mobilisation
NESC Secretary presented a paper on The Moral Foundation for Vision 2030 during the Kenya National Prayer Breakfast held at Safari Park Hotel, Nairobi on 28th May, 2009	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>
17th NESC Full Council Meeting held at KICC on 29th-30th May, 2009	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
JUNE, 2009				
NESC Policy Analyst participated in a taskforce on Policy Formulation in the Ministry of Northern Kenya Development and Other Arid Lands			<input checked="" type="checkbox"/>	
NESC ICT/WEB manager attended a KOHA training and implementation session held at KICC on 18th – 24th June, 2009				<input checked="" type="checkbox"/>
NESC Secretary presented a paper, The Role of Marketing in Vision 2030 , to the Marketing Society of Kenya, organised by CIM, at the Panafric Hotel on 26th June, 2009	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>

ACTIVITIES	Facilitation of policy dialogue forum	Advisory role: making policy recommendations to the Government	Coordination of policy development	Knowledge mobilisation
NESC Director of Economic Sector presented a paper, Opportunities for Youth in Vision 2030 , organised by Career for Life International and held at Multi-Media University, Mbaga-thi on 27th June, 2009	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>
NESC Secretary presented a paper to the African Bank-to-Bank Forum on Driving Trade and Growth Investment in Infrastructure at Serena Hotel on 30th June, 2009	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>

ANNEX 2

Membership to NESC sub-committees

ENERGY

Hon. Kiraitu Murungi, EGH, MP
Hon. S. Amos Wako, EGH, MP
Hiroyuki Hino (Prof.)
Lee Yee Cheong (Dato)
Chung KuNmo (Dr.)
Baldip S. Rihal, MBS
Steven G. Smith
Michael Albert Allen Harries
Wilfred Murungi (Eng), EBS — Chairman

FOOD SECURITY AND WATER

Hon. William S. Arap Ruto, EGH, MP
Hon. Beth W. Mugo, EGH, MP
Hon. James Orengo, EGH, MP
Everett M. Standa (Prof.), MBS
Edward A. Oyugi (Prof.)
Shaukat A. Abdulrazak (Prof.), MBS
Vimal B. Shah, MBS — Chairman
Jimnah Mbaru, EBS — Vice Chairman

HOUSING DEVELOPMENT

Hon. Mutula Kilonzo, EGH, MP
Hon. William S. Arap Ruto, MP
Hon. S. Amos Wako, EGH, EBS, FICARB, SC, MP
Michael Chege (Prof.), EBS

Victor Koh (Dr.)
Jimnah Mbaru, EBS
Jacqueline W. Kitulu (Dr.)

NATIONAL INDUSTRIALISATION

Hon. Henry Kosgey, MP
Hon. (Amb.) Chirau A. Mwakwere, FCILT, EGH, MP
Hon. Franklin Bett, MP
Hiroyuki Hino (Prof.)
Baldip S. Rihal, MBS
Samwel M. K'Olale (Dr.)
Steven G. Smith
Shaukat A. Abdulrazak (Prof.), MBS
Chung KuNmo (Dr.)
Victor Koh (Dr.)
Lutaf Kassam, MBS
Wilfred Murungi (Eng.), EBS
Vimal B. Shah

COMPETITIVENESS

Hon. Uhuru Kenyatta, EGH, MP
Hon. Amos Kimunya, EGH, MP
Hon. Henry Kosgey, MP
Hon. Wycliffe A. Oparanya, EGH, MP
Hon. Moses Wetangula, EGH, MP
Hon. Najib M. Balala, EGH, MP
Hon. (Amb.) Chirau Mwakwere, FCILT, EGH, MP
Hon. Sally Kosgei (Dr.), EGH, MP
Hon. Chris Obure, EGH, MP
Hon. Franklin Bett, MP
Hon. Samuel Poghisiso, EGH, MP
Samwel M. K'Olale (Dr.)
Njuguna Ndung'u (Prof.)
Salma Mazrui
Raphael G. Mwai
Steven G. Smith
Shaukat A. Abdulrazak (Prof.), MBS
Kanyenje K. Gakombe (Dr.)
Lutaf Kassam - Chairman
Vimal B. Shah, MBS
Stella Kilonzo

LEVERAGING OPPORTUNITIES IN KENYA-US LINKS

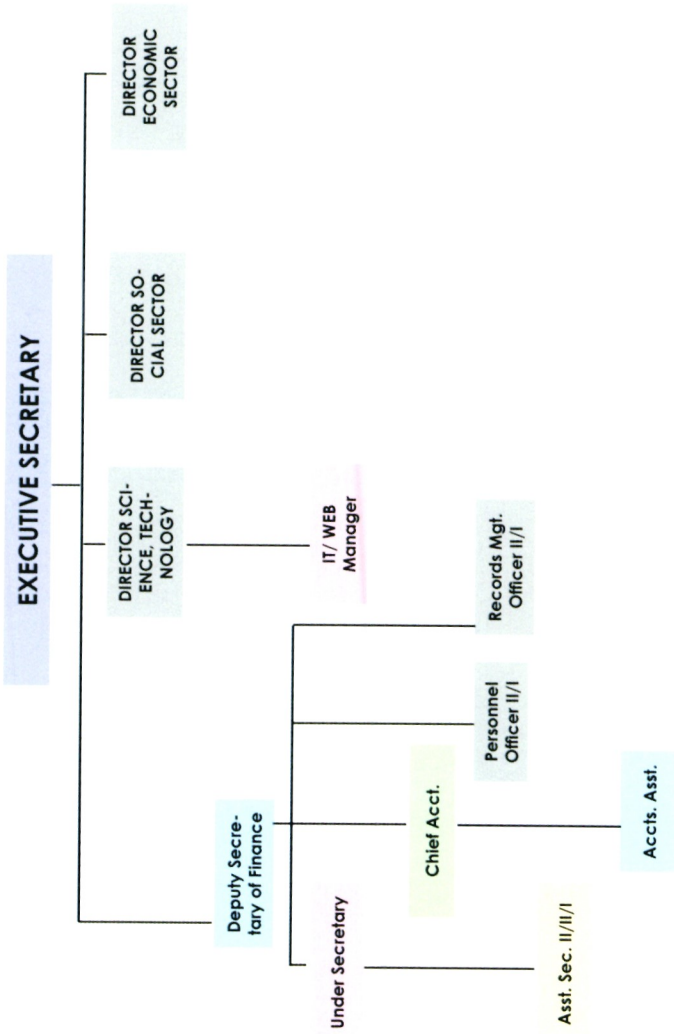
Hon. Moses Wetangula, EGH, MP
Hon. Najib M. Balala, EGH, MP
Hon. Sally Kosgei (Dr), EGH, MP
Hon. Samuel Poghiso, EGH, MP
Hon. Amos Kimunya, EGH, MP
Hon. James Orengo, EGH, MP
Hon. S. Amos Wako, EGH, EBS, FICIARB, SC, MP
Michael Chege (Prof.), EBS
Samwel M. K'Olale (Dr.)
Njuguna Ndung'u (Prof.)
Salma Mazrui
Edward A. Oyugi (Prof.) -Chairman
Steven G. Smith

GLOBAL FINANCIAL CRISIS

Njuguna Ndung'u (Prof)
Julius Monzi Muia
Michael Chege (Prof), EBS
Edward Akong'o Oyugi (Prof)
Vimal Shah, MBS
Dato Lee Yee Cheong
Hiroyuki Hino (Prof)

ANNEX 3

ORGANIZATION STRUCTURE FOR NEC SECRETARIAT



ANNEX 4

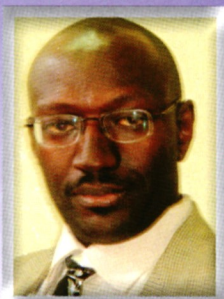
BSPS Capacity Building Project Team



Tom Ogada (Prof)
Research
Fellow



**Julius Malombe
(Dr)**
Research
Fellow



X.N. Iraki (Dr)
Research
Fellow



**Geoffrey Manyara
(Dr)**
Research
Associate



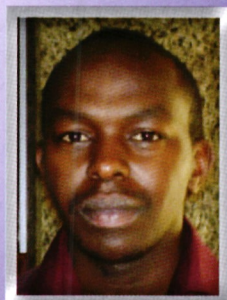
**Christine Misiko
(Ms)**
UNV
National Project
Officer,
NESC Business
Sector
Programme
Support



**Miriam Sarange
(Ms)**
Intern
Resource Centre



**Rozina R.W. Mngola
(Ms)**
Intern
Research



Kiumu Lawrence
Intern
ICT

ANNEX 5

NESC Secretariat Employees



Julius M. Muia
Secretary,
NESC



Leonard N Kimani
Director,
Economic Sector
and Project
Manager, BPS
Project



Michael Riunge
ICT/WEB
Manager



Sarah Yamo
Administrative
Officer



David Timado
Policy Analyst



**Emmah Waimiri
(Mrs.)**
Human Resource
Management
Assistant



Nixon Daria
Account
Assistant



**Josephine W
Ciugu (Ms)**
Personal
Secretary



**Esther Lusangalu
(Ms)**
Personal
Secretary



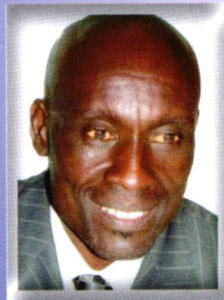
**Esther Kimani
(Mrs)**
Personal
Secretary



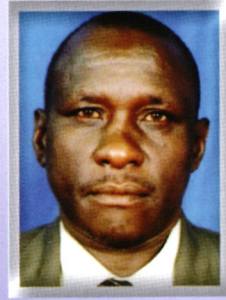
**Abigael Asidaga
(Mrs)**
Personal
Secretary



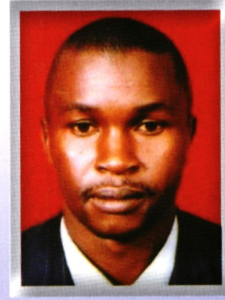
**John Njoroge
Murua**
Reception
Assistant



Robert N. Ngatia
Principal Driver



John Mwangi
Driver



**Bernard
Ong'ang'a**
Driver



**Hellen Mkangula
(Mrs.)**
Cleaning
Supervisor

ANNEX 6

Study Tours Undertaken By NESC Staff

- World Urban Forum, Nanjing, China on Housing and Urbanization — NESC Secretary;
- Familiarisation with the best practice adopted by Kenya on the Integrated Population Registration System (IPRS) in Kiev, Ukraine — NESC Secretary;
- Universal Banking Practices by African Banking Congress, Johannesburg, South Africa — NESC Secretary;
- Presentation on the **The Kenya Vision 2030 Case Study on the Role of Think Tanks in Developing Countries**, International Conference in Cairo, Egypt — NESC Secretary;
- Industrialisation and Housing Development, Singapore — NESC Secretary and Dr Victor Koh;
- Global Competitiveness by Strathmore School and Professor Michael Porter of Harvard University — NESC Secretary and a Research Fellow;
- Safer Cities on Youth and Urban Crimes, World Conference in Durban, South Africa — Director, Economic Sector;

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■ World Productivity Conference in Johannesburg, South Africa — Director, Economic Sector;

■ Israel Agri-Tech Study Tour on Food Security and Water — Director, Economic Sector and others;

■ ICT study tour of Bangalore, India — NESC ICT/WEB Manager;

■ KOHA training and implementation workshop at KICC, Nairobi Kenya, — NESC ICT/WEB Manager;

■ Communications and library workshops, Ottawa, Canada, — NESC Documentalist;

■ Communications and library workshops, Harare, Zimbabwe — NESC Documentalist; and

■ Productivity and Performance Improvement, KIA Kabete, Nairobi — all staff in the Presidency and Cabinet Affairs Office.

ANNEX 7

Capacity building and staff development

Staff Members	Academic	Vocational	Work-related	Workshops	Study tours	Life skills training
Julius M Muia		●	●	●	●	
Leonard Kimani			●	●	●	
Michael Riunge			●		●	
Sarah Yamo	●		●	●		●
David Timado				●		
Emma Waimiri		●	●	●		●
Nixon Ndaria	●		●	●		
Josephine Ciugu			●	●		●
Esther Lusangalu	●		●	●		
Esther Kimani	●		●	●		●
Robert Ndegwa	●	●	●	●		
Abigael Asidaga			●	●		
John Mwangi			●	●		
Bernard Ong'ang'a			●	●		
John Njoroge			●	●		
Hellen Mukangula			●	●		●

NESC PHYSICAL LOCATION



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