

The Republic of Kenya
SEZ Authority (SEZA)

**TECHNICAL ASSISTANCE FOR
MOMBASA SEZ (DK SEZ)
DEVELOPMENT PROMOTION**

Final Report (Volume 1)

January 2022

Japan International Cooperation Agency (JICA)

Nippon Koei Co., Ltd.
JIN Corporation

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The Republic of Kenya
SEZ Authority (SEZA)

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Annex 1
Meeting minutes of regular meeting

Meeting Minutes of Kick-off Meeting

- 19th June 2020 17:00-18:00 JST/11:00-12:00 KST
- Attendee Total 13 people
- MC Mr. Matsushima

SEZA	Dr. Meshack Kimeu, Mr. Njenia, Mr. Carol N, Mr. Gitau, Mr. Francis, , Eng. Murimi (Engineer)
JICA	(HQ) Mr. Katai, Mr. Ishizuka, Mr. Mami, (Kenya Office) Ms. Kato, Mr. T Nikai, Mr. Steve Mr. Wakabayashi
JICA Expert	Mr. Matsushima
Consultant team	Mr. Watanabe, Ms. Kaneko, Mr. Meng, Ms. Konaka Mr. Teddy

Following agenda was discussed in the meeting.

1. Greeting from Mr. Katai, JICA

Mr. Katai gave an opening remarks and introduced JICA members who are in charge of the project.

2. Explanation of project outline by Mr. Watanabe, consultant team

Mr. Watanabe explained the project outline through power point slide.

3. Sharing updated information by SEZA

Dr. Meshack Kimeu gave greeting to JICA and consultant team. Besides, he updated the situation of Industrial Park (IP) No.1 development preparation and tenders of construction of administrative building. He said to welcome JICA's support on administrative building procurement and survey on related infrastructures such as road connection area in IP. Also, he appreciated the commitment of consultant team to provide advice to satisfy the national standard.

4. Questions and answers with SEZA about the project outline

Topic 1.

- As for the coordination of common facilities, what kind of facilities are included? Then, what kind of assistance can SEZA receive in the project? (Murimi)
- ⇒ Support by the consultant team include common facilities such as road, water supply, sewage, telecommunication and power to IP. This project aims to make basic concept of IP and plans to coordinate the development of IP and its connecting infrastructures

- such as Southern bypass. (Watanabe)
- SEZA has Master Plan (MP) made by Nippon Koei in previous project and I suppose that the assistance through this project provides coordination work to develop the IP. By receiving the detailed land use plan in the project, SEZA would like to proceed the development of road, ICT facilities etc. (Murimi)
 - ⇒ As a supplemental information, the intention by Mr. Murimi is that SEZA would like to receive support from consultant team on providing the detailed land use plan in IP No.1 and 2. (Steve)
 - ⇒ Besides the detailed land use plan, I'd like to ask consultant team to confirm its cost and available timing to receive the land use plan. (Murimi)
 - ⇒ The project plans to make detailed land use plan after the topo survey. After the topo survey result comes out, it takes around 3 months to finalize the land use plan. (Watanabe)
 - ⇒ Who conducts topo survey? (Murimi)
 - ⇒ Japanese side understands that SEZA conducts. (Consultant team)
 - ⇒ In the project, SEZA conducts the topo survey and handover the map to JICA. (Steve)
 - ⇒ I noted the project flow. I'd like to ask consultant team to provide the TOR and schedule of topo survey. (Murimi)
 - ⇒ I will send the information next week to SEZA. (Watanabe)

Topic 2.

- I'd like to know the contents of design work supported by this project. (Murimi)
- ⇒ Design work is not covered in the project but making basic plan of IP is included. (Watanabe)
- ⇒ In that case, is it possible to include preliminary survey of sewage treatment facility? (Murimi)
- ⇒ It is not included in the project. The sewage treatment is managed by tenant companies. (Watanabe)
- ⇒ Is the fire disaster management facilities included? (Murimi)
- ⇒ It is not included in the project. (Watanabe)
- ⇒ How about the solid waste management? (Murimi)
- ⇒ It is included. (Watanabe)
- ⇒ I'd like to reconfirm the items included in the preliminary survey in the project. (Murimi)
- ⇒ Solid waste management, road, water supply, sewage, power, telecommunication are covered in the project. (Watanabe)

Topic 3.

- I'd like to ask the commitment of Japanese experts who have experiences for SEZ development and consulting support in Kenya. (Murimi)
- ⇒ Every member of the consultant team has experiences in the SEZ development in Kenya or other countries. The project plans to employ Kenyan engineer and assistant. (Watanabe)

Topic 4.

- Sharing information about procurement of the administrative building. Currently SEZA is under the evaluation of tenders. Since budget has decided, the difference in the cost proposed by the consultant team has to be within 15 % difference from the budget (Murimi)

5. Closing remark

Dr. Meshack gave closing remarks.

Mr. Katai gave closing remarks and requested to hold meetings regularly between SEZA and consultant team to share the project progress.

End of document

Meeting Memo of Regular Meeting with SEZA

Date and time	15th July 2020 10:00-11:00 Kenya ST/16:00-17:00 JST	
Venue	Remote Meeting (Skype)	
Topics	<ol style="list-style-type: none"> 1. Confirmation of activities for IP development 2. Functions of One Stop Service (OSS) to be applied 3. Project implementation organizations 4. Methodology of project implementation (remote work) 	
Participants	SEZA	Dr. Meshack Kimeu, Mr. Njenia, Eng. Murimi (Engineer), Mr. Brian (coordinator)
	JICA	(HQ) Mr. Wakabayashi
	JICA Expert	Mr. Matsushima
	Consultant team	Mr. Watanabe, Ms. Kaneko, Mr. Meng, Ms. Konaka

Following agenda was discussed in the meeting.

(1) Activities for IP Development

- Mr. Watanabe and Mr. Meng explained about common facilities, output of drawing and work schedule.
- Mr. Meng showed output images of drawing such as land use map & factory lot layout map, road map and drainage map of other projects.
- ✓ Questions and answers about land use plan
 - What is the standard size of each plot? (Eng. Murimi)
 - ⇒ Minimum size of plot is 1 ha but the standard size depends on the marketing. It is possible to combine several lots when required larger plots. (Mr. Meng)
 - Is there consideration on the type of industries located in the site? (Eng. Murimi)
 - ⇒ What kind of industries SEZA are planning? Currently, the assumption for Industry type in DK-SEZ is light Industry. Will check existing SEZ MP concept to confirm suitable industry type. (Mr. Meng)
 - SEZA plans to establish heavy industry such as steel factory. Some industries might emit pollution and dusts. (Eng. Murimi)
 - ⇒ Next to Industrial Park (IP), there are tourism zone, MICE and residential area. If you'd like to put heavy industries, some structural modification is necessary. Need to confirm the detail requirements in MP reports in 2015. (Mr. Meng)

After that, Mr. Meng showed some maps of drainage water, water supply and wastewater.

✓ Questions and answers about solid waste management

- How about solid waste collection system in SEZ? (Eng. Murimi)
- ⇒ Normally, solid waste management is coordinated with county government, or with private companies. Need to confirm there is enough space to accommodate SEZ solid waste in city land fill site. Need to coordinate with local authority about its management. It is not recommended to plan solid waste transit station inside IP, specially, the IP zone in DK-SEZ only around 120ha. (Mg. Meng)
- Should SEZA prepare disposal site inside IP so that each factory can carry to the station? (Eng. Murimi)
- ⇒ Normally the solid waste disposal site located outside of the IP. Solid waste operators pick up solid waste from each factory. (Mr. Meng)

✓ Questions and answers about infrastructure

- Currently SEZA has TOR for survey work and it's very clear to us. Related to the IP development, SEZA would like to receive TOR for land use and infrastructure. Considering the capacity building and work with consultant team, we'd like to make sure the items to be done. (Mr. Njehia)
- ⇒ Consultant team will prepare the detailed work of each items. (Mr. Watanabe)
- ⇒ So that SEZA can apply the development method to IP in Kenya, we'd like to confirm the support of JICA in wider perspectives. (Mr. Njehia)
- ⇒ I agree and appreciate the comment by Mr. Njehia. (Mr. Matsushima)

(2) Function of OSS

- Mr. Watanabe explained about OSS through power point slides, and Ms. Kaneko gave comments on OSS to be applied.
 - Consultant team proposed OSS functions in different stage in before operation and during operation. However, the required functions are different in each IP. Consultant team appreciates if SEZA examine necessary functions from the list. In the next meeting, we'd like to confirm with SEZA. (Kaneko)
- ⇒ SLA which are a part of regulations or SEZ Act covers the contents of OSS. SEZA would like to make SLA under the guidance of the SEZ Act. However, I'm not sure specifically

how OSS is considered in DK SEZ and in SEZ in the country. (Mr. Njehia)

- ⇒ Exactly. Step by step we'd like to confirm about OSS such as identification of the necessary functions for the operation in DK SEZ, and confirmation of related organizations and services and operation method. After all confirmation, the information is reflected into Draft SLA. (Ms. Kaneko)

(3) Project implementation organizations

- The persons in charge through the project were confirmed as follows.
 - Overall responsibility: Mr. Meshack (CEO)
 - Physical component: Engineering: Eng. Murimi
 - Non-Physical component: Mr. Njehia
 - Liaison staff: Mr. Brian
- For consultant team side, one assistant is employed to support the project administration.

(4) Methodology of project implementation (remote work)

- Two kinds of meeting through the project was proposed by Mr. Watanabe and agreed among participants.
 - Weekly meeting: every Wednesday from 10 AM in Kenya ST
 - Thematic meeting (Stakeholder meeting): proposed in every stages of work

(5) Others

- location of administration building
- ✓ Questions and answers
 - SEZA would like to receive comment about general location of administrative building considering the proximity of Southern Bypass. (Eng. Murimi)
 - ⇒ In the relation to location of Southern Bypass, we can propose ideal location on the assumption with expected conditions. In details, it is necessary to investigate from the viewpoint of engineering when you conduct topo survey and make land use plan. Therefore, our proposal location might change. (Mr. Watanabe)
 - ⇒ I will share initial ideas. I suppose there will be several points to be discussed after the topographical survey. (Mr. Meng)

⇒ Noted. (Eng. Murimi)

(6) Way forward

- Mr. Watanabe confirmed about the current situation of topo survey. As per Eng. Murimi, the survey department are making requirement and will submit it on Thursday. After the submission, SEZA need to confirm the timing to start preliminary survey.
- Next regular meeting will be on July 22 Wednesday from 10.00 Kenya ST.
- Mr. Watanabe concluded the meeting.

End of document

Meeting Memo of Regular Meeting with SEZA

Date and time	22nd July 2020 10:00-11:00 Kenya ST/16:00-17:00 JST	
Venue	Remote Meeting (Skype)	
Topics	<ol style="list-style-type: none"> 1. Recapture of a previous meeting (July 15) 2. Confirming functions and related organizations of One Stop Service (OSS) to be applied 3. Way forward 4. AoB 	
Participants	SEZA	Mr. Njehia, Eng. Murimi (Engineer), Mr. Brian (coordinator)
	JICA Expert	Mr. Matsushima
	Consultant team	Mr. Watanabe, Ms. Kaneko, Dr. Meng, Ms. Konaka

Following agenda was discussed in the meeting.

(1) **Recapture of a previous meeting (July 15)**

- Mr. Watanabe briefly shared previous meeting topics and discussion result.
- ✓ Questions and answers
 - Mr. Watanabe asked the progress of topographic survey to Eng. Murimi.
 - ⇒ SEZA already sent the TOR to technical officer of survey department. Once SEZA receive the letter which shows detailed requirement, schedule and cost, SEZA will start the survey quickly. (Eng. Murimi)
 - ⇒ Please let us know the progress next time. Dr. Meng will support after the survey result comes out. (Mr. Watanabe)

(2) **Confirming functions and related organizations of One Stop Service (OSS) to be applied**

- Mr. Watanabe explained the listed functions of OSS and confirmed each related organization with Mr. Njehia and Eng. Murimi. Then, the organizations' names were modified by the confirmation accordingly.
- Mr. Watanabe mentioned that he will send the revised power point file after the meeting for SEZA's confirmation and modification. (See the power point material of the meeting)
- Ms. Kaneko requested SEZA to confirm the official name of each function (permit, approval, certificate) so that the Consultant Team can follow. SEZA agreed to review the official names

according to SEZ regulation.

- Some clarifications of the items are summarized in the questions and answers below.
- ✓ Questions and answers about construction permits
 - As for development and construction permits, SEZA mentioned that both county government and National Construction Authority are responsible. What is the difference of roles of both organization? (Mr. Watanabe, Ms. Kaneko)
 - ⇒ National Construction Authority is a regulatory body at national level. The authority regulates built-up environment and issues license to contractors and ensure the construction timing.
On the other hand, Mombasa county government is responsible for approving construction activities.
County government has wider roles because they approve development plan in spatial planning area together with National government/Ministry of land. Also, the County government itself has development plan. (Eng. Murimi, Mr. Njehia)
 - ⇒ Is National Construction Authority under Ministry of Transport Infrastructure, Housing, Urban Development and Public Works? (Ms. Kaneko)
 - ⇒ Yes it is. (Mr. Njehia)
 - Does the land use plan need approval by Mombasa County? (Mr. Watanabe)
 - ⇒ Yes, it is necessary. (Mr. Njehia)
 - When the company would like to develop factories, does the layout plan of each plots needs to get approval by Mombasa County? (Mr. Watanabe)
 - ⇒ Yes, it is necessary. (Mr. Njehia)
- ✓ Questions and answers about feasibility study and marketing research
 - The feasibility study and marketing research were listed in reference to the SEZ regulations which indicates OSS services. However, these services are not directly connected to the licensing and permits. It is proposed to focus only on the functions of licensing and permits. (Ms. Kaneko)
 - ⇒ The SEZ regulations that provided these services was enacted in 2016. It was amended in 2020 by removing these items, including feasibility study and marketing research. The amended regulations will be shared to consultant team. (Mr. Matsushima)
 - Noted. We will refer to the OSS-related items based on the latest SEZ regulations. (Ms.

Kaneko)

⇒ I agree. (Mr. Njehia)

✓ Questions and answers about renewal of investment permit (investment certificate)

- Does investor need to go to KenInvest to get investment certificate in DK SEZ? (Mr. Matsushima)

⇒ It is not necessary because the OSS covers as fast track. (Mr. Njehia)

(3) Way Forward

- Mr. Watanabe explained about the topic on the next regular meeting with power point slide.
- Next regular meeting will be held on 29th July 2020 from 10 AM in Kenya ST.
- For next meeting the Consultant Team will send TOR of IP development which Eng. Murimi requested in the previous meeting.

✓ Questions and answers about TOR for IP development

- How many TORs will you make? (Eng. Murimi)

⇒ Your requested items were mainly land use plan and infrastructure. Since both are connected, probably TOR for entire IP development will be prepared. (Mr. Watanabe)

⇒ Noted. I appreciate if the Consultant Team send the meeting material on Monday or early time on Tuesday. (Eng. Murimi)

⇒ The Consultant Team will send the draft version on Monday and send the final version on Tuesday when it is not ready to send by Monday.

End of document

Meeting Memo of Regular Meeting with SEZA

Date and time	29th July 2020 10:00-11:00 Kenya ST/16:00-17:00 JST	
Venue	Remote Meeting (Skype)	
Topics	<ol style="list-style-type: none"> 1. Recapture of a previous meeting (July 22) 2. Confirming functions and related organizations of OSS to be applied (continued) 3. TOR of land use plan/infrastructure plan 4. Way forward 5. AoB 	
Participants	SEZA JICA Expert Consultant team	Mr. Njehia, Eng. Murimi (Engineer), Mr. Brian (Coordinator) Mr. Matsushima Mr. Watanabe, Ms. Kaneko, Dr. Meng, Ms. Konaka

Following agenda was discussed in the meeting.

(1) Recapture of a previous meeting (July 22)

- Mr. Watanabe briefly shared previous meeting topics and discussion result.
- ✓ Questions and answers
 - Mr. Watanabe asked the progress of topographic survey and the ministry which controls the survey department.
 - ⇒ The officer from survey department said that they're preparing budget. I hope today we can receive the update. The survey department is under the Ministry of Land and Physical Planning. (Eng. Murimi)
 - ⇒ Please let us know the progress whenever you get information. (Mr. Watanabe)
 - ⇒ Noted. (Eng. Murimi)

(2) Confirming functions and related organizations of OSS to be applied (continued)

- Mr. Watanabe asked to SEZA and updated the power point slides about the pended items of OSS function and its responsible organizations which were discussed in previous meeting.
- ✓ Questions and answers about "certificates of occupancy / factory operation permit" before operation of SEZ Enterprise
 - Could you confirm the name of permit and Act? (Mr. Watanabe)
 - ⇒ We'll confirm. (Mr. Njehia)
 - Could you list up the certificates issued by the county government? (Ms. Kaneko)
 - ⇒ Yes, we'll prepare. (Mr. Njehia)

(3) TOR of land use plan/infrastructure plan

- Firstly, Dr. Meng, on behalf of JICA consultant team replied to the email by Eng. Murimi about the general idea of IP (Industrial Park) development in the project. Dr. Meng told that the project targets only IP of DK SEZ and confirmed that only the survey of IP boundary is covered in the project.
- ✓ Questions and answers about scope of the project
 - What are the differences of detail design and detailed plan? (Mr. Murimi)
 - ⇒ The flow of related work is as follows:
 - i. Master Plan
 - ii. Detailed Master Plan/ Detailed Plan for land use plan and general concept for IP layout etc.
 - iii. Basic design for infrastructures such as road, water supply pipeline
 - iv. Detailed design which elaborated with more detailed information with coordination
 - In the project, JICA Consultant Team will conduct Detailed Plan. This is not engineering work nor detailed design work. (Dr. Meng)
 - ⇒ When do you conduct design work? (Eng. Murimi)
 - ⇒ It will be implemented in the next stage after Detailed Plan finished. (Dr. Meng)
- ✓ Questions and answers about topographic survey
 - What can SEZA expect from the result of topographic survey? (Eng. Murimi)
 - ⇒ SEZA can utilize the survey result. For example, examine how the access road is connected to IP. (Dr. Meng)
- Dr. Meng showed the flow of “typical items for detailed plan preparation of IP and case study of IP development” (Thang Long IP) through power point slides.
- ✓ Questions and answers about case study of IP development
 - What is the reason some of the utility facilities are at the center of the area, not in the corner? (Eng. Murimi)
 - ⇒ The location depends on the connection from off-site infrastructures. As for electricity, when it is sent from the outside to IP Sub/station through power line, the sub-station can be located in the boundary, then it is sent to each factory plots. As for water, when the ground water is utilized for Water treatment plant(WTP),

WTP can be planned in the center of IP for distribution efficiency. However, when DK SEZ receives water from outside, close place to connection point is better. In case of DK SEZ, I'll introduce you recommended places for all facilities. In addition, normally from marketing viewpoint, irregular lot (not rectangle shape) is not favorable to tenants, which will be used as utility facilities. (Dr. Meng)

✓ Questions and answers about land use plan of DK SEZ

- SEZA is thinking of design of IP as clustering industries in one place. SEZA would like to discuss details next time. (Mr. Murimi)
 - ⇒ It depends on the industry type. We can discuss next time. (Dr. Meng)

(4) Way Forward

- Mr. Watanabe requested SEZA to sum up the idea for land use of IP and mentioned that he'd like to talk in next meeting.
- Mr. Watanabe mentioned that thematic meeting will be held in the middle of August to discuss OSS development method with responsible governments. The invited organizations will be confirmed in next meeting.
- Next regular meeting will be held on 4th August 2020 from 11 AM in Kenya ST.

End of document

Meeting Memo of Regular Meeting with SEZA

Date and time	5 August 2020 11:00-12:50 Kenya ST/17:00-18:50 JST	
Venue	Remote Meeting (Skype)	
Topics	<ol style="list-style-type: none"> 1. Recapture of a previous meeting (July 29) 2. Confirming functions and related organizations of OSS to be applied (continued) 3. TOR of land use plan/infrastructure plan (recap) 4. TOR of land use plan/infrastructure plan (new information) 5. Way forward 6. AoB 	
Participants	SEZA JICA JICA Expert Consultant team	Mr. Njehia, Eng. Murimi (Engineer), Mr. Brian (Coordinator) HQ: Mr. Wakabayashi Kenya office: Mr. Steve Mr. Matsushima Mr. Watanabe, Ms. Kaneko, Dr. Meng, Ms. Konaka

Following agenda was discussed in the meeting.

(1) **Recapture of a previous meeting (July 29)**

- Mr. Watanabe briefly shared previous meeting topics and discussion result.
- ✓ Questions and answers
 - Mr. Watanabe asked the progress of topographic survey.
 - ⇒ SEZA has received budget and ready to start survey. SEZA would like to consult with JICA Consultant Team for survey work. (Eng. Murimi)
 - ⇒ When SEZA needs any consultation, JICA Consultant Team will set up the meeting and follow up the survey. (Mr. Watanabe)
 - ⇒ Noted. There's concern that the survey by the department takes long time. In that case I might subcontract to private firm, can JICA support survey work? (Eng. Murimi)
 - ⇒ JICA Consultant Team can support only allowance and accommodation, but cannot support the survey work. (Mr. Watanabe)

(2) Confirming functions and related organizations of One Stop Service (OSS) to be applied (finalization, actions for next step)

- Mr. Watanabe showed the power points made in previous meeting.
- ✓ Questions and answers about enterprise license
 - I confirmed to EPZA and found that SEZ should issue enterprise annual license which covers safety issues, fire etc. to enterprises. The issuance is also dealt by OSS in SEZ. (Mr. Njehia)
 - ⇒ The other functions of OSS we confirmed so far are also dealt with OSS. (Ms. Kaneko)
 - ⇒ I pointed the enterprise license as what is issued by SEZA. In details, I'll confirm to EPZA. (Mr. Njehia)
 - ⇒ Noted. We'd like to confirm overall flow of application process to issue necessary permit to start operation of Mombasa SEZ, but it is not limited to enterprise license. It is supposed, for example, that the development and construction permit also should be issued. (Ms. Kaneko)
 - ⇒ How about making flow chart of these activities to issue the permits in the project? (Mr. Watanabe)
 - ⇒ I agree and I will confirm about the necessary process for next exercise. (Mr. Njehia)
- ✓ Questions and answers about next step to identify OSS functions
 - As a next step to identify OSS functions, we'd like to proceed detail confirmation for application. For the next step activities, the following two points should be kept in mind:
 - (i) The listed functions might be too much to elaborate at once. As an initial stage, it is proposed to pick up 3 to 5 sample functions to consider services provided at SEZ.
 - (ii) It is said that IFC has provided similar support in terms of immigration, custom clearance and tax issues. The updated information on progress of IFC support and its planned activities in this regard is useful so our support can avoid overlap with IFC (Ms. Kaneko)
 - ⇒ IFC is supporting regulation matters, and SLA is considered as a part of regulation matters.
 - ⇒ It is recognized that IFC has supported drafting SLAs on Immigration and customs clearance/tax issues, and thus we'd like to know what their future plan is regarding their support to avoid overlap activities. (Mr. Matsushima)
 - ⇒ Noted. I'll confirm to IFC. (Mr. Njehia)

(3) TOR IP development land use detailed plan (recap)

- Dr. Meng briefly shared case study of previous meeting.

(4) TOR IP development land use detailed plan (new information)

- Dr. Meng explained the concept of land use detailed plan in case of IP of DK SEZ.
- ✓ Questions and answers about road network plan
 - When you mention about subdividing the plots of IP, how do you secure the accessibility of each factory plots? Is it possible to access from both front and behind? (Eng. Murimi)
 - ⇒ Normally, as principle of factory lot plan, every factory lot will have one access. If the tenant wants front and behind accessibility, they will need to purchase two lot to combine. Since road including utility pipes under road is the main cost for industrial park development, to ensure the cost efficiency, road in industrial park shall service two side factory lot. (Dr. Meng)
 - Regarding the location of administrative block, how about changing to next to shrine? (see “Option 1 and 2” of the figure below) (Eng. Murimi)

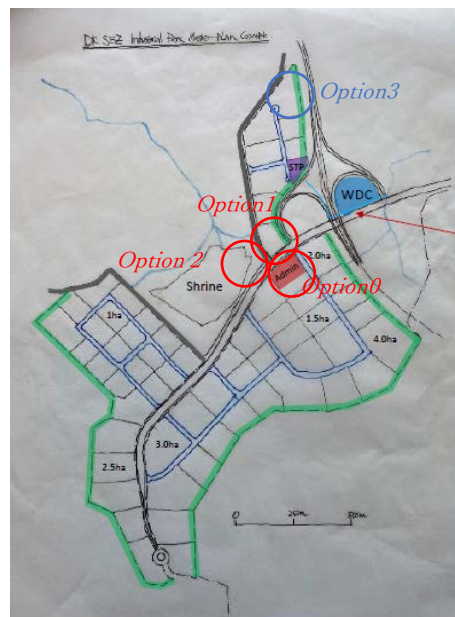


Figure: the location of administrative block and STP

- ⇒ Option 1 is good as one of alternatives because it's easy to access from main road, and since option 0 lot is good location, it is better to leave it for factory lot. However, since commercial facilities such as restaurant, ATM, shops will also be arranged in administration lot, south part of factory workers need to cross main road to access to administration block. Option 2 is out of the boundary of IP. It is also possible if the land is available, it is good to use irregular land for IP

developer's own facility. (Dr. Meng)

✓ Questions and answers about sewerage plan

- It is better to ask the opinion of SEZA about two alternatives:

- (i) Pre-treatment wastewater in each factory lot

- (ii) Wastewater treatment facility for each factory

- ⇒ I appreciate the consideration by JICA Consultant Team and it's helpful to understand the concept of land use. How about if we put the STP (Sewerage Treatment Plan) in the place of Option 3? (see figure above) (Mr. Njehia)

- ⇒ I already considered the Option 3 but in terms of geographical situation, current place is better to gravity flow the sewerage. (Dr. Meng)

- ⇒ From the proposed place of STP, does the sewerage discharge to canal? (Eng. Murimi)

- ⇒ Yes it does. It's easy to discharge. (Dr. Meng)

- ⇒ Noted. I'd like to confirm the details with cost implications after topographical map is done. (Eng. Murimi)

- Are both alternatives mutually exclusive? (Mr. Steve)

- ⇒ Yes, it is mutually exclusive. In case of alternative 1, common sewerage pipe is necessary along the road to STP. In case of alternative 2, water treatment plant in each factory plots are necessary. (Dr. Meng)

- ⇒ Noted. About alternative 2, I suppose international discharge standard should be applied because the enterprises are multinational. Then, since the area has much amount of discharge in the location close to port, each enterprise should be responsible for the treatment of own discharge. (Mr. Steve)

- ⇒ I suppose alternative 2 is challenging because high costs will be imposed for SEZ enterprises. (Mr. Njehia)

- ⇒ It should be chosen by the marketing viewpoint. Alternative 1 is effective, but initial costs and a number of factory plots sold will be key factor. (Dr. Meng). Initial cost is high relative to a number of SEZ enterprises during the initial stage of operation when the number of enterprises is still small.

- ⇒ SEZA would like to discuss details next time. (Mr. Njehia)

✓ Questions and answers about power plan

- Is there possibility to make common ducts on the roadsides? Then, is there possibility to lay the fiber objectives into underground? In the city, existence of a lot of fiber objectives becomes obstacle for structure and city scape. (Mr. Steve)
 - ⇒ Common duct might not be effective from the viewpoint of cost and maintenance. As for the underground power cables, it's also costly for SEZ development. (Dr. Meng)

(5) Way Forward

✓ Questions and answers about TOR of land use plan

- Thank you for elaborated consideration for land use plan. Could you JICA Consultant Team provide TOR for land use plan to SEZA? (Eng. Murimi)
 - ⇒ What is the purpose of using TOR? Will you instruct the contractor to develop other area of DK SEZ? (Dr. Meng)
 - ⇒ Exactly. (Eng. Murimi)
 - ⇒ If you have draft TOR, please share to us. We'll consider how to improve the TOR. Also, it's possible to discuss the details. (Mr. Watanabe)
- Next regular meeting will be held on 12th August 2020 from 10 AM in Kenya ST.

End of document

Meeting Memo of Regular Meeting with SEZA

Date and time	12 August 2020 10:00-12:00 Kenya ST/16:00-18:00 JST	
Venue	Remote Meeting (Skype)	
Topics	<ol style="list-style-type: none"> 1. Recapture of a previous meeting (August 5) 2. Confirming functions and related organizations of OSS to be applied (process flow) 3. TOR of land use plan/infrastructure plan 4. Way forward 5. AoB 	
Participants	SEZA JICA JICA Expert Consultant team	Mr. Njehia, Eng. Murimi (Engineer), Mr. Brian (Coordinator) Kenya office: Mr. Steve Mr. Matsushima Mr. Watanabe, Ms. Kaneko, Dr. Meng, Ms. Konaka

Following agenda was discussed in the meeting.

(1) Recapture of a previous meeting (August 5)

- Mr. Watanabe briefly shared previous meeting topics and discussion result.
- ✓ Questions and answers
 - Mr. Watanabe asked the progress of topographic survey.
 - ⇒ SEZA is waiting feedback about breakdown of work plan by survey department.
The department says that it takes time to allocate the surveyor. (Mr. Njehia)
 - ⇒ JICA Consultant Team can hold a meeting inviting the survey department if it is effective. (Mr. Watanabe)

(2) Confirming functions and related organizations of One Stop Service (OSS) to be applied (process flow)

- Ms. Kaneko explained the outline of EPZ licenses through power point slides.
- ✓ Questions and answers about enterprise licenses of EPZ
 - What is route sketch? (necessary documents for issuance for EPZ licenses) (Eng. Murimi)
 - ⇒ It is a rough sketch of location of the factory and layout around the plot. You can download in the website of KenInvest. (Ms. Kaneko)
(Ref. <https://eregulations.invest.go.ke/procedure/273/173?l=en>)
 - ⇒ I wonder why the route sketch should be submitted in the latter stage of the application. (Mr. Njehia)

⇒ Route sketch should be decided in the beginning of the investment proposal stage, as the applying companies consider the location and layout of the plot when they apply for the application. I'm not sure why this timing is proposed for EPZ enterprise license, but anyway SEZ's application process can identify the timing of submitting necessary documents as deemed more appropriate. (Ms. Kaneko)

✓ Questions and answers about SEZ enterprise licenses

- In case of EPZA, application process and fees are based on EPZA Act and Regulations. Will SEZA need to have the same process through amendment to SEZ Act and Regulations? (Ms. Kaneko)

⇒ Yes, almost the same process. As for fee, it is already gazetted. (Mr. Njehia)

⇒ Has the application form been already prepared? (Ms. Kaneko)

⇒ It is prepared but the details and design of forms still need to be discussed internally. (Mr. Njehia)

⇒ Could you share the current format? (Ms. Kaneko)

⇒ Yes, I will.

We have been discussing the custom code with the Custom Department since 2017. I hope it will finish before the end of this year. (Mr. Njehia)

⇒ Noted. It's necessary to reflect the discussion result by Custom Department to proceed the elaboration of OSS function. (Ms. Kaneko)

⇒ As additional information, currently the amendment of regulation is prepared and it includes application forms and process etc. When SEZA has completed the designs and reviews of all its application forms and processes, we'll showcase as amendment. (Mr. Brian)

✓ Questions and answers about implementation structure for OSS

- Has any discussion being made on implementation structure for OSS? (Ms. Kaneko)

⇒ We haven't discussed and currently in formatting stage to identify issues. (Mr. Njehia).

⇒ It will be necessary to start considering implementation structure once OSS functions, responsible organizations and services are clarified to some extent. (Ms. Kaneko)

(3) TOR IP development land use detailed plan

● Dr. Meng added some comments about the submitted TOR by SEZA as following points.

(i) Title of TOR and its contents

The information should be consistent with the area focused in the TOR (for DK SEZ or Industrial Park where any other places Kenya government develops).

(ii) Necessity of Master Plan (MP)

There's MP for overall DK SEZ conducted in 2015 and updated in 2019. The information should be consistent with the area focused in the TOR. As for “7) types of industries” of 3.1 Specific Objectives, these were also examined in MP.

On the other hand, if the TOR is applied to the IP where there is no MP, SEZA can conduct it as initial step.

(iii) Detailed Plan

Detailed plan becomes next step of MP. For specific area such as industry, commercial and tourism etc., it is applicable to conduct detailed plan separately with consideration of connectivity of infrastructure.

(iv) Detailed Design

This is different stage of MP and it indicates engineering work for construction. After making sure the boundary of area and confirm overall land use, road networks and other utilities, engineering work such as design of elevation of pipes, coordination, and slopes are conducted. (Dr. Meng)

(v) Clarification of works to be done in the DK SEZ

Along the works which are listed in the 6. Outputs of TOR, implementor of DK SEZ were confirmed.

- ✧ Digital survey plan: It will be prepared by survey department.
- ✧ Base map: The topographic map made by survey department will be used as base map of this project.
- ✧ Geological survey: Not covered by JICA Consultant Team
- ✧ Hydrological survey: Not covered by JICA Consultant Team
- ✧ Declaration of the project as a Special Planning Area: DK SEZ is already declared as special planning area by the government
- ✧ Site and Physical and land use plan: as a formulation of detailed plan and infrastructure plan, JICA Consultant Team will examine such as land use, road network plan, water supply plan and sewerage plan. For this work, one Kenyan supporting staff will collect information of off-site infrastructure from other

organizations.

(vi) Recommendation

It is better the TOR is divided for each phase of the project with conditions and/or situation of starting of the project. Showing the step of work items with figures or chart is also useful.

✓ Questions and answers about feasibility study

- In DK SEZ, feasibility study was not conducted. In such case, is it included in MP? (Mr. Njehia)
 - ⇒ In DK SEZ case, MP conducted in 2015 can be considered as pre-feasibility study. In this project, we will confirm land use plan, road structure, detail infrastructure, water supply, etc in IP. Then, cost of infrastructure development will be calculated. This work can be considered as feasibility study. (Dr. Meng)
 - ⇒ Which should be done first, MP or feasibility study? (Mr. Njehia)
 - ⇒ Feasibility study targets cost benefit analysis. Hence, conduct MP and then feasibility study is best way. (Dr. Meng)
 - ⇒ Conduct of feasibility study depends on the targeting area. If area such as MICE developed as concession, the feasibility study is conducted by private companies. Hence, the government doesn't need to do feasibility study. (Mr. Watanabe)

✓ Questions and answers about scope of this project

- As a next step of conducting MP in DK SEZ, I suppose following should be covered: conduct topographical survey, confirmation of land use plan and onsite infrastructure. What kind of support is included in this project? (Eng. Murimi)
 - ⇒ JICA Consultant Team will support to prepare detailed plan, infrastructures and utility of IP. (Mr. Watanabe)
- What are on-site activities JICA Consultant Team will do? (Mr. Njehia)
 - ⇒ JICA Consultant Team planed to conduct field work, however, in the COVID-19 situation, Japanese experts can't visit Kenya. Hence, what we will do is to employ one supporting staff and ask him to support coordination work between SEZA and other organizations. (Mr. Watanabe, Dr. Meng)
 - ⇒ Noted. (Mr. Njehia)

✓ Questions and answers about other items

- Why hydrological survey is not covered in this project? (Eng. Murimi)
 - ⇒ It is because other project in DK SEZ already studied about hydrological plan.

I will collect and use the information the previous study. (Dr. Meng)

- Why you propose the offset 20m from the boundary of IP for topographic survey, but not 10m or 30m? (Eng. Murimi)
 - ⇒ In case of DK SEZ, it is necessary to confirm the connection to the outside of IP in terms of land grading, that's why I recommended offset 20m. The reason I propose 20m was based on our experiences in other projects.
 - ⇒ Development IP in DK SEZ is first case for SEZA. Hence, we'd like to make sure the offset area so that this project can show the benchmark for future projects. (Eng. Murimi)
 - ⇒ It's difficult to decide the standard because the offset area depends on the topographical situation. For example, in hilly area where there're slope between inside and outside, 20m offset is suitable from our experiences. On the other hand, in flat area, 5m is applicable. (Dr. Meng)
 - ⇒ I well understand your clarification. (Eng. Murimi)

(4) Way Forward

- In the next meeting, I'd like to talk about marketing aspect of DK SEZ management. (Mr. Watanabe)
- ✓ Questions and answers
 - Currently McKinsey consultant supports to do study of COVID-19 recovery strategy (fast-track development of IP) and they want to contact to your team. Upon their request, I'd like to ask you to talk with them.
 - ⇒ Noted, but I'd like ask SEZA attendance because we're working together in this project. (Mr. Watanabe)
 - ⇒ Yes, I'll attend together. (Mr. Njehia)
- Next regular meeting will be held on 19th August 2020 from 10 AM in Kenya ST.

End of document

Meeting Memo of Regular Meeting with SEZA

Date and time	19 August 2020 10:00-11:30 Kenya ST/16:00-17:30 JST	
Venue	Remote Meeting (Skype)	
Topics	<ol style="list-style-type: none"> 1. Recapture of a previous meeting (August 12) 2. Confirming functions and related organizations of One Stop Service (OSS) to be applied, thematic meeting preparation 3. TOR for Industrial Park Detailed Plan Preparation 4. Detailed Plan for IP in DK-SEZ (management) 5. Way forward 6. AoB 	
Participants	SEZA JICA JICA Expert Consultant team	Mr. Njehia, Eng. Murimi (Engineer) HQ: Mr. Wakabayashi Kenya office: Mr. Steve Mr. Matsushima Mr. Watanabe, Ms. Kaneko, Dr. Meng, Ms. Konaka

Following agenda was discussed in the meeting.

(1) Recapture of a previous meeting (August 12)

- Mr. Watanabe briefly shared previous meeting topics and discussion result.

(2) Confirming functions and related organizations of One Stop Service (OSS) to be applied, thematic meeting

- Ms. Kaneko briefly looked back on the previous discussions such as a list of OSS functions and organizations and application process for EPZ enterprise licenses, and then proposed to organize the thematic meeting.

✓ Questions and answers about thematic meeting

- Safety measures, including health certificate is issued by Ministry of Health, not Ministry of Labor. I agree to hold thematic meeting next week. (Mr. Njehia)
- As a first step, I propose holding meeting with KenInvest which has already operated the OSS in Kenya and knows the manner and process for investors. SEZA can call KenInvest staff easily because they're working in same building. (Eng. Murimi)
 - ⇒ I noted to invite KenInvest which has role of overseeing process and procedures of OSS. However, I wonder KenInvest is not necessarily responsible for dealing with the services for enterprise in IP? (Ms. Kaneko)

- ⇒ I'd like to ask KenInvest their general view of OSS. KenInvest itself has experience dealing with the OSS and staff are dispatched from EPZA, KRA and Nairobi County. Hence, they cover whole picture of OSS and give advice to us. (Mr. Njehia)
- ⇒ Noted. (Ms. Kaneko)
- ⇒ I agree to hold thematic meeting with KenInvest as a first step. Then, we can proceed to specific theme for further meetings with specific ministries. (Mr. Watanabe)
- ⇒ Why not we organizing thematic meeting for KenInvest next week? (Ms. Kaneko)
- ⇒ Noted, SEZA will check the availability of KenInvest official. (Mr. Njehia)

(3) TOR IP detailed plan preparation

- Dr. Meng explained TOR for IP in DK SEZ through power point slides.
- ✓ Questions and answers about list of development stages
 - What is contour? (Mr. Njehia)
 - ⇒ It means contour line for measurement. (Dr. Meng)
 - I'd like to know the differences of No.3 Basic Design (BD) and No.4 Detailed Design (DD). (Eng. Murimi)
 - ⇒ They are different in the design levels. I'll prepare the explanation to show the scopes. (Dr. Meng)
 - ⇒ Depending on the development cases, BD and DD can be combined. For example, when using design-build scheme for contractor, government prepare the BD then, contractor will develop based on the BD. Hence, government doesn't need to conduct DD. The reason JICA Consultant Team shows this flow is because we'd like to show the working process and items so that you can refer based on the situation of Naivasha. (Mr. Watanabe)
 - ⇒ In Naivasha, MP and pre-FS exist. However, it's necessary to review the MP into a high standard. Afterward, pre-FS will be reviewed. Further work will be conducted along the proposed flow. (Eng. Murimi)
 - ⇒ Noted the situation. We received PPT of MP in Naivasha from Matsushima san. Do you have report of MP so that we can confirm the details? When we reviewed the TOR, I was not sure exactly in which level of planning you're expecting. (Mr. Watanabe)
 - ⇒ There's no report. (Eng. Murimi)

- ⇒ In the TOR sent by SEZA, JICA Consultant Team will add comments on the points of reviewing the documents. When SEZA procures the consultant for the project, you can refer to our comments. Also, you can utilize the weekly meeting documents to compare the task in DK SEZ and Naivasha. I'll send back the TOR with some comments tomorrow. (Mr. Watanabe)
- ⇒ Noted and I appreciate it. (Eng. Murimi)

(4) Way Forward

- Agenda of marketing aspect of DK SEZ management will be explained in following meeting.
- Thematic meeting will be arranged in the week of 24 August 2020. Weekly meeting will be substituted by the thematic meeting.

End of document

Meeting Memo of Regular Meeting with SEZA

Date and time	2 September 2020 10:00-11:30 Kenya ST/16:00-17:30 JST	
Venue	Remote Meeting (Skype)	
Topics	<ol style="list-style-type: none"> 1. Recapture of a Thematic Meeting (OSS) 2. Roadmap of One Stop Service (OSS) and Next Step 3. Detailed Plan for IP in DK SEZ (management) 4. Meeting with McKinsey 5. Way forward 6. AoB 	
Participants	SEZA JICA JICA Expert Consultant team	Mr. Njehia, Eng. Murimi, Mr. Brian (Coordinator) Kenya office: Dr. Steve Mogere, Ms. Caroline Mr. Matsushima Mr. Watanabe, Ms. Kaneko, Ms. Konaka

Following agenda was discussed in the meeting.

(1) Recapture of a Thematic Meeting (OSS)

- Mr. Watanabe briefly looked back the discussion of thematic meeting.

(2) Roadmap of One Stop Service (OSS) and Next Step

- Ms. Kaneko briefly looked back the presentation by KenInvest and proposed to develop roadmap and possible collaboration with OSC of KenInvest for next step.
- ✓ Discussion about SLA and MoU for OSS
- In thematic meeting, Mr. Rogers mentioned that KenInvest was in favor of MoU rather than SLA because KenInvest has no legal framework for OSC. In case of SEZA, we need to consider each benefit.
 - ⇒ In Kenya, how do you differentiate SLA and MoU?
 - ⇒ MoU has no legal power because it is just a memorandum. Idea of SEZA was to include SLA in our regulations because it has legal power. I hope we can discuss with Mr. Rogers freely about challenges without other institutions. (Mr. Njehia)
 - ⇒ We originally planned to make SLA with stakeholders. In later stage of this exercise, we can discuss the contents individually with institutions. Also, I agree with Mr. Njehia to have a meeting with Mr. Rogers, KenInvest. (Mr. Watanabe)
- With a spirit of OSS, it is built upon mutual trust. However, suspicious and fear for misuse toward host institution might happen. We have experienced that Customs Department was concerned about approval of enterprise by SEZA within custom control area when enterprise

license was controlled. I feel mutual trust is key. (Mr. Njehia)

- Actually, SEZA has duality as an operator and regulator. The balance is important but we need to look forward. JICA prepares budget to strengthen SEZA and make sure that investors come in and operate. JICA Consultant Team supports to OSS operation system and operationalize in DK SEZ. As Mr. Njehia said, the mutual trust is important whether MoU or SLA, and whether authority is delegated or not because actual activities are more than what is listed in MoU. (Dr. Mogere)

(3) Detailed Plan for IP in DK SEZ (management)

- Mr. Watanabe explained about management aspect of detailed plan for IP through power point slides.
- ✓ Questions and answers about DK SEZ management
 - Is SEZA thinking SPV to manage DK SEZ? Does the idea still in the work? (Dr. Mogere)
 - ⇒ It is not clear yet and SEZA is considering the best way. SEZA is now perusing to be operator in DK SEZ, unless we get the clear proposal. (Mr. Njehia)
 - ⇒ Fundamental question the government needs to answer is how we move forward. If SEZA aims to become operator, the enough staff and experts are necessary. On the other hand, if SEZA aims to introduce SPV, the strong points will change. Such direction needs to be decided at policy level. (Dr. Mogere)
 - ⇒ There are 4 options developing IP and it was discussed with current CS (Cabinet Secretary) and SEZA board. In the conclusion, private investor was included. However, due to the reason of lease location, there was no private investor which can answer some our questions. If we receive good proposal for 4 options, we are open to discuss (Mr. Njehia)
 - ⇒ The issue is about career burden of SEZA and it's not in SEZA level but national level. In terms of management, appeal point of SEZ services could be weak point if the management is not enough. It is necessary to consider the possible management structure. (Dr. Mogere)
 - ⇒ In next meeting, consultant team will prepare the discussion material of management options. At least SEZA giving information on how to manage, we can offer suitable one. There's no matter if 100% government control in case enough budget is provided. There problem is lack of human resource due to the lack of budget. (Mr. Watanabe)
 - ⇒ I suppose it's better the decision is made in high level. (Dr. Mogere)
 - ⇒ I suppose discussing in high level is too early. I prefer to receive proposal by JICA Consultant Team and after our discussion, we can escalate the issues to higher level. (Mr. Njehia)
 - ⇒ In this project, there're meetings of regular meeting and stakeholder meeting. After

Mr. Njehia and Eng. Murimi understands our proposal, the issue can be raised to JC/TC for making decision. (Mr. Watanabe)

⇒ Noted. However, JC is not functioning currently. (Dr. Mogere)

⇒ Related to this issue, I would like to talk about discussion result with McKinsey. May I deliver SEZA's budget issues to them? (see discussion result about next section) (Mr. Watanabe)

⇒ I agree. (Dr. Mogere)

⇒ McKinsey is contracted by MoITED for research of post COVID-19 strategy. They are collecting information of donors supporting the manufacture in Kenya. As for sharing information to McKinsey, I'm supportive. (Dr. Mogere)

(4) Meeting with McKinsey

- Mr. Watanabe shared the meeting result with McKinsey.

- ✓ Questions and answers about meeting with McKinsey

- Is the purpose just information exchange? (Dr. Mogere)

- ⇒ I'm not sure specifically what they're aiming. I'd like to talk with them again and consider if any collaboration is possible. (Mr. Watanabe)

(5) Way Forward

- Ms. Kaneko asked whether SEZA prefers to have another meeting with KenInvest. Mr. Njehia agreed to keep in touch with them for SEZA to consider a possibility of collaboration.

(6) AoB

- Mr. Watanabe asked about acceptance of Kenyan staff of JICA Consultant Team in SEZA office until December. Then, Mr. Njehia agreed to prepare the working spaces for them.

- As for topographic survey, Mr. Njehia shared the current situation that Survey Department mentioned to send detailed budget today. While waiting Survey Department's reply, SEZA is looking for the way to contract with private survey company.

End of document

Meeting Memo of Regular Meeting with SEZA

Date and time	9 September 2020 10:00-11:30 Kenya ST/16:00-17:30 JST	
Venue	Remote Meeting (Skype)	
Topics	<ol style="list-style-type: none"> 1. Recapture of a Weekly Meeting (Sept 2) 2. Next step: inviting KenInvest 3. TOR Naivasha 4. SEZ management 5. Report of meeting with McKinsey (Sept 7) 6. Way forward 7. AoB 	
Participants	SEZA JICA JICA Expert Consultant team	Mr. Njehia, Eng. Murimi, HQ: Mr. Wakabayashi Kenya office: Dr. Steve, Ms. Caroline Mr. Matsushima Mr. Watanabe, Ms. Kaneko, Mr. Meng, Ms. Konaka Ms. Karen

Following agenda was discussed in the meeting.

(1) **Recapture of a Weekly Meeting (Sept 2)**

- Mr. Watanabe briefly looked back the discussion of previous regular meeting.

(2) **Next step: inviting KenInvest**

- Ms. Kaneko explained about points by previous meetings for the preparation of 2nd meeting with KenInvest.
- ✓ Discussion about 2nd meeting with KenInvest
- I'd like to ask KenInvest how they manage staff from other organizations on daily operation. (Mr. Njehia)
 - ⇒ This question will be added under “organizational/management aspects”. Also, this question is related to the contents of the agreement between KenInvest and partner organizations. (Ms. Kaneko)
 - ⇒ Noted. As a sample, I'd like to see the agreement of MOU/ SLA. (Mr. Njehia)
- As for inviting other organizations, how about we set up another session in the end of

September or October? (Mr. Watanabe)

- ⇒ I agree. High priority is meeting with KRA and NEMA. Other organizations such as KPLC, water company, telecom company have relation but no measure issues to discuss yet. We can set meeting for another time. (Mr. Njehia)
- ⇒ That's good idea. After discussing OSS issues with organizations, we can talk to utility service companies. At that time, we can discuss OSS and planning issues such as land use aspects at once. (Mr. Watanabe)
- ⇒ How about inviting Mombasa County Government? In case County Government might have different understanding on SEZ, SEZA can talk and think how to involve the County Government in DK SEZ development. (Mr. Njehia)
- ⇒ Noted. Not limited to OSS issues, we can invite and discuss with Mombasa County Government on other issues as well in future meeting. (Ms. Kaneko)
- ⇒ Which department of Mombasa County Government Mr. Njehia will invite? (Mr. Watanabe)
- ⇒ Probably Ministry of trade, however I'll confirm right person (Mr. Njehia)

(3) TOR Naivasha

- Mr. Watanabe asked any comments about TOR Naivasha sent to SEZA but there were no comments.

(4) SEZ management

- Mr. Watanabe explained about SEZ management through power point slides.
- ✓ Questions and answers about SEZ management type and related things
 - Based on the experience of JICA, basically government has limited resources, and private companies can be involved for direct management. For DK SEZ management, I'd like ask idea of SEZA. (Dr. Steve)
 - ⇒ There're a several zones which different organizations doing activities in DK SEZ. SEZA can be open to all options and those are provided to the right entities. PPP is one of the ideas if SEZA finds appropriate private company to lease. (Mr. Njehia)
 - ⇒ Because types of the operation will be different in each zone in DK SEZ, the operation method is mixed. However, basically government and private can cooperate for the development in Industrial Park (IP). (Mr. Watanabe)
 - ⇒ It depends on whether SEZA wants to have strong control or not. Together with the

consideration of human resource and budget aspects. (Dr. Steve)

⇒ SEZA still continues to find the investors to come and considers about the options. (Mr. Njehia)

⇒ Making quick decision from initial stage is important. Since the use of IP is already clear, I hope SEZA can make decision. (Dr. Steve)

- As for management model, I wonder it is better that we get good assurance from discussion level in case information gap exists. (Dr. Steve)

⇒ Eng. Murimi: comments regarding the management model, I suppose talking to decision level is too early. Our request to JICA Consultant Team was to give us real situation how those management models works. Especially in developing countries such as Nigeria, Vietnam, etc. (Eng. Murimi)

⇒ More study is necessary to understand pros and cons so that we can discuss the challenges. I hope this study can be applied SEZ in Naivasha because same people are in charge of it. (Mr. Njehia)

(5) Report of meeting with McKinsey (Sept 7)

- Mr. Watanabe shared meeting result of the meeting with McKinsey.

- ✓ Questions and answers

- Regarding sending message from JICA Consultant Team to McKinsey on strategic support on SEZA by MoITED, I'd like to see the report how they analyze the DK SEZ development issues. (Mr. Njehia)

⇒ Noted. After look the report, JICA Consultant Team and SEZA will talk again. (Mr. Watanabe)

(6) Way forward

- Next meeting will be held on 10:00 Kenya ST/16:00 JST on 16 September. Mr. Rogers from KenInvest will be invited.

- For next stakeholder meeting, responsible organizations of OSS such as KRA, NEMA and Mombasa County will be invited. Date and time will be arranged at another occasion.

(7) AoB

- ✓ Additional questions and answers

- In regard to the coordination of Naivasha, is there any committee for development? (Mr.

Watanabe)

- ⇒ SEZA is coordinating various actors such State Department through KeNHA, Ministry of Water through water agencies etc. (Eng. Murimi)
- ⇒ On site infrastructure is provided by private companies by PPP but there're other 4 options for development which investors can choose for the leased lands in Naivasha.(Mr. Njehia)

End of document

Meeting Memo of Regular Meeting with SEZA

Date and time	16 September 2020 10:00-11:45 Kenya ST/16:00-17:45 JST	
Venue	Remote Meeting (Skype)	
Topics	<ol style="list-style-type: none"> 1. Recapture of a Weekly Meeting (Sept 9) 2. 2nd meeting with KenInvest 3. SEZ management 4. Way forward 5. AoB 	
Participants	SEZA	Eng. Murimi
	KenInvest	Mr. Rogers Amisi
	JICA	HQ: Mr. Wakabayashi Kenya office: Dr. Steve, Ms. Caroline
	JICA Expert Consultant team	Mr. Matsushima Mr. Watanabe, Ms. Kaneko, Ms. Konaka Ms. Karen, Mr. Kinoti

Following agenda was discussed in the meeting.

(1) Recapture of a Weekly Meeting (Sept 9)

- Mr. Watanabe briefly looked back the discussion of previous regular meeting.

(2) 2nd meeting with KenInvest

- After explaining about purpose of meeting with KenInvest, Ms. Kaneko asked questions to Mr. Rogers.
- The table of “OSS Functions/ Services and Types of Authorities” was confirmed by Mr. Rogers and information was updated. The result of the confirmation will be posted in the next week meeting material.
- Points of comments by Mr. Rogers are as follows.

[Political Aspects]

- In order to send seconded officer to OSC, the respective Acts are amended only when it is necessary to coordinate with mother institutions. It may generally take time and may affect the operation.
- Service charter which indicates detailed process and procedures of services by every

Governmental institutions are also referred.

[Management Aspects]

- One of the challenges is that the line managers of mother institutions cannot know the daily basis work of seconded officers. In this case, KenInvest utilizes the performance management contract which are obligated in all Kenyan Government institutions and make appraisal by both KenInvest and mother institutions.
- As for capacity building, the seconded officers can attend the training from their mother institutions during the dispatch period and they sometimes attend the training in overseas.

✓ Questions and answers

- One seconded staff has two performance management contracts, but are both contents almost same because the TOR is same? (Ms Kaneko)
⇒ Yes, it is. (Mr. Rogers)
- In what level is the supervision done for seconded staff? (Ms. Kaneko)
⇒ Supervision is done by KenInvest. However, particular agencies follow the instruction and supervision by mother institutions. (Mr. Rogers)
- Is there any written agreement for service charter or MoU so that SEZA can refer? (Eng. Murimi)
⇒ I can share MoU. (Mr. Rogers). I will consult to MD in KenInvest. (Mr. Rogers)

(3) SEZ management

- Mr. Watanabe briefly explained about 5 cases of SEZ in 4 countries.

✓ Questions and answers

- In Ethiopia case, how many companies are operational in Industrial Park? (Eng. Murimi)
⇒ I'll share the detailed information in next meeting. (Ms. Kaneko)
- I suppose countries introduce pilot scheme in SEZ. I'd like to know how investment can boost countries' operation and business environment more attractive. (Eng. Murimi)
⇒ SEZ is not goal but a tool for accelerating the industry in the country. Some conditions in SEZ Act/ Law and incentives developed in those countries are basically same. The point is besides the regulations, what kind of services are provided. It is crucial how you can attract the investors with the good management. (Mr. Watanabe)

(4) Way forward

- Next meeting will be held on 10:00 Kenya ST/16:00 JST on 23rd September.
 - Thematic meeting with KRA, NEMA, Mombasa County Government will be considered in next meeting.
- Mr. Gitau will be invited for next regular meeting to discuss DK SEZ management.

End of document

Meeting Memo of Regular Meeting with SEZA

Date and time	23 September 2020 10:00-11:30 Kenya ST/16:00-17:30 JST	
Venue	Remote Meeting (Skype)	
Topics	<ol style="list-style-type: none"> 1. Recapture of a Weekly Meeting (Sept 16) 2. OSS & Thematic meeting preparation 3. SEZ management 4. Way forward 5. AoB 	
Participants	SEZA JICA Expert Consultant team	Eng. Murimi, Mr. Francis Gitau, Mr. Njehia Mr. Matsushima Mr. Watanabe, Ms. Kaneko, Ms. Konaka Mr. Brian, Ms. Karen, Mr. Kinoti

Following agenda was discussed in the meeting.

(1) Recapture of a Weekly Meeting (Sept 16)

- Ms. Kaneko looked back the discussion result with KenInvest on 16 September.

(2) OSS & Thematic meeting preparation

- Ms. Kaneko proposed to hold thematic meeting with KRA, NEMA and Immigration, etc. which are part of One Stop Center (OSC), and also with County Government.

✓ **Discussion about Thematic Meeting on 25 September**

- Ms. Kaneko asked opinion of SEZA about inviting manager-level officers from head office of proposed institutions.

⇒ I agree to invite manager-level officers at head office because they have more authority than seconded staff. I propose that we first invite three institutions at Thematic Meeting and hold individual meeting with respective institutions separately for any further confirmation. (Mr. Njehia)

- Before holding thematic meeting with Mombasa County Government, we would like to first identify the role of County Government. Since SEZ Act and Physical Planning Act may have limited authority in terms of some approval licenses by County Government. (Mr. Njehia)

⇒ Agreed. After reviewing the relevant Acts, we will have orientation session to the

County Government what is SEZ and what roles is expected by the County Government according to SEZ Act. (Ms. Kaneko)

⇒ As far as I know, the Acts related to County Government is following. (Mr. Watanabe)

- i. County Government Act
- ii. Physical Planning Act
- iii. Urban Area and Cities Act
- iv. SEZ Act

⇒ I suppose those Acts need to be reviewed. (Mr. Njehia)

(3) SEZ management

- Mr. Watanabe explained SEZ management cases in 4 countries through power point slides.
 - Explanation includes outline of SEZ, characteristics of management, strengthen and weakness of management, and financial condition. (Mr. Watanabe)

✓ Comments about SEZ management

- The aspects of several country cases are helpful to consider operation and development method in DK SEZ. It is planned that SEZA will propose 60 USD/m² for land sale. For strategic development, SEZA would like to make DK SEZ competitive and facilitate so that SEZ can provide good services. (Mr. Gitau)

⇒ The key is to make financial plan in initial stage. The competitive price should be set to attract investors and to cover the expense of construction cost. (Mr. Watanabe)

(4) Way forward

- Next weekly meeting: Tentatively Sept 30, 10:00 (Kenyan time)
- Next Thematic Meeting (OSS): Tentatively Sept 25, 12:00 (Kenyan time)

End of document

Meeting Memo of Regular Meeting with SEZA

Date and time	30 September 2020 10:00-11:00 Kenya ST/16:00-17:00 JST	
Venue	Remote Meeting (Zoom)	
Topics	<ol style="list-style-type: none"> 1. Reconfirmation of next Thematic Meetings 2. SEZ management (related laws) 3. Way forward 4. AoB 	
Participants	SEZA JICA Expert Consultant team	Eng. Murimi, Mr. Francis Gitau, Mr. Matsushima Mr. Watanabe, Ms. Kaneko, Ms. Konaka Mr. Brian, Ms. Karen, Mr. Kinoti

Following agenda was discussed in the meeting.

(1) Reconfirmation of next Thematic Meetings

- Mr. Watanabe reconfirmed the date and time of next thematic meeting. Both date and time were proposed as follows.
- October 6, 16:00 with NEMA, KRA, Immigration.
- October 8, 16:00 with Mombasa County Government and Kwale County Government.

(2) SEZ management (related laws)

- Mr. Watanabe explained the result of review of the framework of County Government Act with specification of the Urban Areas and Cities Act, Physical Planning Act.

✓ Discussion about approving process of DK SEZ development

- Has SEZA had experience dealt with the County Government Acts for approving or in management process for EPZ or IP (Industrial Park)?

⇒ Following is the process of approval.

- i) Development plan is sent to Governor
- ii) Governor sends to Minister of physical planning
- iii) Minister prepares documentation
- iv) County Assembly approves the plan (Eng. Murimi)

⇒ Does this mean that the County Government forms committee to evaluate development

plan? In this sense, does the SEZ or IP development plan also need to receive the approval in same process? (Mr. Watanabe)

⇒ Yes, it is. (Eng. Murimi)

⇒ Have you shared any idea of SEZA about SEZ development or IP development to County Government? (Mr. Watanabe)

⇒ It's not clear yet. In Naivasha case, SEZA has discussion with County Government after approval by Central Government (Ministry of Lands and Physical Planning) was received. (Eng. Murimi)

⇒ As for the case of Naivasha, did you need to receive both approval by Central Government and County Government (Assembly) for development? (Mr. Watanabe)

⇒ Yes. (Eng. Murimi)

- I suppose that the development of DK SEZ was already gazetted, but was MP of DK SEZ already approved by Central Government? (Mr. Watanabe)

⇒ Yes, it was already approved. (Eng. Murimi)

- DK SEZ was declared and gazetted as special planning area under the Physical Planning Act. SEZA is supposed to make local physical development plan, which harmonizes the physical planning of County Government planning. However, it was not clear what kind of physical planning of Counter Government existed. I suppose that the County Government needs to be involved in this sense.

In other words, there are two separate gazettes: one is declaration of SEZ and the other is a special planning area. Both are not necessarily cover same area. (Mr. Matsushima)

⇒ I suppose that this should be proposed in Thematic Meeting but explanation to County Government should be careful since it might become political issues. (Mr. Watanabe)

✓ **Discussion about Thematic Meeting with County Governments**

- In case Kwale County is involved in the DK SEZ development, I suppose that we need to discuss about services provided by Kwale County such as water supply, land issues etc. (Mr. Matsushima)

⇒ It might be a complicated process however, SEZA has clear evidence that DK SEZ was approved by Central Government. SEZA would like to discuss future challenges for developing OSS and IP with County Governments. (Eng. Murimi)

⇒ I'd like to propose the presentation for Thematic Meeting with introduction of DK SEZ

and development plan. Then, we'd like to move on to discuss OSS and expected role of the County Government in DK SEZ. (Mr. Watanabe)

⇒ Noted. (Eng. Murimi)

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Meeting Memo of Regular Meeting with SEZA

Date and time	14 October 2020 10:00-11:20 Kenya ST/16:00-17:20 JST	
Venue	Remote Meeting (Zoom)	
Topics	<ol style="list-style-type: none"> 1. Recapture of thematic meetings (October 6&10) 2. Thematic Meeting w/ KRA, Immigration, NEMA 3. Next step on OSS: discussion with SEZA 4. IP development 5. Way forward 6. AoB 	
Participants	SEZA JICA Consultant team	Mr. Njehia Mr. Wakabayashi (HQ) Dr. Steve (Kenya Office) Mr. Watanabe, Ms. Kaneko, Ms. Konaka Mr. Brian, Ms. Karen, Mr. Kinoti

Following agenda was discussed in the meeting.

(1) Recapture of thematic meetings (October 6&10)

- Mr. Watanabe and Ms. Kaneko briefly looked back the result of thematic meeting with 3 organizations (KRA, NEMA and Department of Immigration) and Mombasa County Government.

(2) Thematic Meeting w/ KRA, Immigration, NEMA

- Ms. Kaneko shared result of discussion with 3 organizations such as scope of services and level of authorities, staff management and staff training. Then, she proposed breakdown of functions which are better to be set up in DK SEZ and in OSC/KenInvest in Nairobi.

✓ **Discussion about establishment of OSS in Mombasa and Nairobi**

- Although I suppose it's tentative, in principle I agree to this idea.
 For example, for industrial project which needs to receive environmental approval from several organizations such as NEMA's headquarters and its county office and MoITED, confirmation and approval process is quite complicated. Also, immigration-related matter is sensitive because the procedure goes through the inter-ministerial committee. From such

situations, I suspect they are not ready to delegate. Even in the case of DK SEZ, it may take time to realize. Nonetheless, the proposal is fine for now and SEZA can keep this plan in mind. (Mr. Njehia)

⇒ Intention of this proposal is not to make decision now. This is to share initial idea how OSS function can be identified in two places: i.e. Nairobi and DK-SEZ. Cases such as NEMA and immigration are sensitive, so probably we need to hold individual thematic meetings with them. When the discussion goes more in detail, we can clarify further plans. (Ms. Kaneko)

⇒ I recognize this as a proposal to SEZA since there are many ongoing discussions and challenges for stakeholder communication.

For example, EPZA has had challenges with KRA for some time regarding tax issue on some goods which are not supposed to be taxed. Also, they have issues with Immigration on cost of work permit in order to develop business environment. Even NEMA has delayed approval of environmental proposals. These are continuing challenges for OSS, especially in policy or legislative level. Having said that, the proposal is acceptable in current stage. (Mr. Njehia)

⇒ Since there're many issues to discuss, one possible idea would be to organize a meeting with EPZA to hear their challenges so that we can think of OSS in DK SEZ and keep in mind the possible challenges and issues. (Ms. Kaneko)

(3) Next step on OSS: Discussion with SEZA

- Ms. Kaneko asked opinion of SEZA about the role of Mombasa County government in OSS especially from the point of demarcations between the County government and other government institutes in construction permit, investment facilitation, environmental approval, etc.

✓ Discussion about demarcation of MSA County Government

- The County government is given constitutional roles, which can't be replaced by the Act of Parliament nor regulations. For instance, Ministry of Planning has devolved the planning function on County Government.

Traffic management is also devolved function. In the last meeting with the County government, there was an issue of highway and its route. Issues of resettlement is also led by the County government. Just not for information purposes, but the County government

needs to be involved in decision making. (Dr. Steve)

⇒ How the County government should be involved in OSS in DK SEZ is not clear yet.

Demarcation in relation to constitutions and relevant roles and regulations need to be confirmed. I appreciate Mr. Njehia's initiative to confirm these issues. It would be appreciated if you could present the result in next regular meeting. (Ms. Kaneko)

⇒ Yes, I'll do some researches. (Mr. Njehia)

✓ **Discussion about organizations which conclude agreement**

- There's no need to make agreement with KenInvest because SEZA and KenInvest are under the same ministry and managed by the same PS. Hence, we can internally agree. With Mombasa County, in case of Naivasha, it was able to get approval especially being SEZ according to new planning Act. The role of Ministry of Lands is related to physical planning. I suppose they are not involved in OSS, but we can get some approvals through Physical Planning Department. In order to make sure, we need to find out details. (Mr. Njehia)

⇒ When you say Physical Department about Naivasha, is it County government level or national level? (Ms. Kaneko)

⇒ It is national level. (Mr. Njehia)

- For business sectors, the critical point is competitiveness of the County Government. From the viewpoint of JICA's support to capacity development of the government, the point is how we can work with Mombasa County Government to achieve effective and quick promotion of SEZ. In the Vision 2030, DK SEZ is supposed to be a model on how government bureaucracy works, and it will be duplicated to others. My view is how to lead the County Government to promote DK SEZ. (Dr. Steve)

⇒ I agree. We are aware but carefully proceeding in the bureaucracy. (Mr. Njehia)

⇒ From the experience of water issue, I can say that it takes much time to empower them when working with County Government, but the project will move very quickly later. (Dr. Steve)

⇒ I reconfirmed that issues with Mombasa County Government is very sensitive. We need to carefully proceed discussion to avoid any conflict. (Ms. Kaneko)

⇒ I understand there are challenges since we have no agreement at this level. Also, DK SEZ is one of first SEZ so people see how it works in policy level. Having officers at

OSS might not become solutions for issues in policy level. (Mr. Njehia)

- There're two cases ongoing in DK SEZ and National Government. Firstly, World Bank reported that KPA raised issues and has argument about port philosophy with County Government. From the workshop, it was said how port city interface; Mombasa County government is unhappy with KPA, and KPA also is suspicious and unhappy with Mombasa County government. Actually, KPA is working with national government but ignoring the role of County government.

Secondly, Mombasa County Government increased property rates as double. Hence, business community went to court and it must go through to the county assembly. I'd like to ask how SEZA can work with County Government to support business environment. (Dr. Steve)

⇒ It's very subjective topics. For example, Nakuru County where Naivasha SEZ is located, they also have interests in the project. Nakuru County Government needs piece of land inside of SEZ and SEZA allocated 50 acres in Naivasha SEZ to Nakuru County. Though there was discussion with head of the County Government, the SEZ development brought new economy infrastructure to people. With one feet diameter water pipe the water is supplied. Hence, the County Government and people in Nakuru had benefit to the SEZ development. (Mr. Njehia)

⇒ I suppose this is related to management of SEZ, so we can continue to discuss this issue with direction by Watanabe san. (Ms. Kaneko)

⇒ What is clear to us is that SEZ is national project located in Mombasa County, where the county Government has act in effect. So far in the project I engaged, conflict on the condition of road improvement with Mombasa County Government with KPA happened. The point is to make County Government involved in the beginning of the process so that they are aware of SEZ development. Then, also to share and clarify the benefit County Government will receive.

In the thematic meeting with Mombasa County Government, they were aware of such merit and we could kick off in good mood. For further discussion, we'll inform them what we are doing and what to be done, also ask their involvement in the process. (Mr. Watanabe)

⇒ One-time meeting may not be enough, and we can hold another session after we study

on issues raised in today's discussion. I appreciate Mr. Njehia's initiative to confirm roles and responsibilities by Mombasa County government in OSS and SEZ management. (Ms. Kaneko)

✓ **Discussion about form of agreement (SLA or MoU)**

- What is current status of draft SLA, which was supported by IFC? (Kaneko)
 - ⇒ The draft is not reviewed yet as SEZA has just received from IFC experts. Attorney General may comment when reviewing, some organizations like Immigration may not be happy with their approval role to be taken by someone else. Hence, I think they remain. (Mr. Njehia)
- Comparing the contents between sample MoU shared by KenInvest and SLA, the former contains what needs to be agreed between SEZA and partner organizations on OSS in particular SEZ, while the latter covers detailed process and procedures of OSS as part of overall SEZ management. Thus it is proposed that we refer to the sample MoU to consider the contents of agreement with OSS-related organizations. (Ms. Kaneko)
 - ⇒ It is acceptable as long as MoU contains necessary agreement with other organizations. (Mr. Njehia)
 - ⇒ I suppose draft SLA mentions about SOP but I'm not sure how it is related to SLA. I'll try to find out whether such document exists. (Mr. Njehia)
 - ⇒ If it exists, the contents need to be examined. (Ms. Kaneko)

(4) IP development

- Mr. Watanabe shared the expected schedule for IP infrastructure development.
- ✓ **Discussion about demarcation of MSA County Government**
 - We need to confirm surround information such as alignment of the southern Bypass. How is the progress of the confirmation with KeNHA? (Mr. Watanabe)
 - ⇒ We sent request to SEO and still waiting authorization of the request letter. (Mr. Kinoti, Mr. Brian)

(5) AoB

- Mr. Wakabayashi inquired to SEZA the situation of letter of extension of Mr. Matsushima. Then, Mr. Njehia responded that he will deal with the letter.

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Meeting Memo of Regular Meeting with SEZA for DK SEZ

Date and time	21 October 2020 10:00-11:30 Kenya ST/16:00-17:30 JST	
Venue	Remote Meeting (Skype)	
Topics	<ol style="list-style-type: none"> 1. Agreement with OSS-related Organizations 2. Contents to be agreed with KRA, Immigration, NEMA 3. Confirming legal and operational structure of OSS management 4. Way forward 5. AoB 	
Participants	SEZA JICA Consultant team	Eng. Murimi, Mr. Njehia Mr. Matsushima Mr. Watanabe, Ms. Kaneko, Mr. Meng Mr. Brian, Mr. Kinoti, Ms. Karen

Following agenda was discussed in the meeting.

(1) Agreement with OSS-related Organizations

- Mr. Watanabe informed today's discussion is mainly on OSS and discussion on IP will start around November, because detailed plan is under preparation.
 - Ms. Kaneko gave a recap of previous meeting through power point slides. Then, she asked Mr. Njehia about information about roles and responsibilities of Mombasa County government in OSS.
 - ✓ Question and answer about roles and responsibilities of Mombasa County government in OSS
 - As a result of discussion with NEMA staff who is seconded to OSC in KenInvest, the role of County government is mainly zoning regarding physical planning. This is one-time activity. When SEZ or special planning area is developed, SEZA needs to involve County government so that they include those plans in their County plans for their development.
- When it comes to environment issues, I agreed with staff by NEMA that NEMA is in charge of management and coordination work for all environmental issues under the ECMA (Environmental Management and Co-ordination Act), and it is applied both County government and private parties.
- In case of the solid waste management, County government is licensed by NEMA. Any private person who will do solid waste collection needs to get business permit like any other

business, when they set up a business. Also, local government is licensed by NEMA.

I also discussed about EIA (Environmental Impact Assessment). when it comes to EIA, County government is lead agency just like other leading agencies. Under the ECMA, there is the definition of lead agency. There are several lead agencies appointed to approve any EIA as per ECMA Act. County government is a lead agency when it comes to approval of EIA. Department of Industrialization and WARMA (Water Resources Management Authority) are also lead agencies. Also, organizations like EPRA (The Energy and Petroleum Regulatory Authority) is lead agency for projects relating to energy.

Therefore, County government has no special role in EIA, apart from being a lead agency. I wonder consultant team needs to discuss whether SEZA will need to involve County Government to OSS or not depending on their duties. (Mr. Njehia)

⇒ The physical planning is one-time involvement of Mombasa county especially for the zoning in special planning areas, where the County government includes the zoning plan in their development plan. Does this mean that they do not have a specific approval? (Ms. Kaneko)

⇒ When County government makes zoning, for example when SEZA will make special planning area, there will be a kind of stakeholders involvement. If we look at the Gazette Notice for special planning area for Mombasa, the radius was not mentioned so Department of Physical Planning will involve the County government and other stakeholders will discuss and agree what parts of the special planning area will be. Then, the result will be gazette. This is a consensus process, but not approval. (Mr. Njehia)

⇒ Regarding the environment, mainly NEMA will be the leading agency to manage and controls all the environmental control, management and solid waste. Also, NEMA is licensing the County government and private entities to collect the garbage, then EIA, County government, Department of Industry, WARMA, EPRA as lead agencies follow respective industrial project. Is this correct? (Ms. Kaneko)

⇒ Yes, it is. (Mr. Njehia)

⇒ I think it's also important to discuss with Mombasa County government and see whether they should be involved as a part of the OSS or not, like KRA, Immigration and NEMA. (Ms. Kaneko)

⇒ Yes, I agree (Mr. Njehia)

- I think Mombasa is in a unique position, in terms of DK SEZ and IP development. In my understanding, they are involved in approving, but involvement of process is different because OSS is mainly for the daily activities such as the tax process, environmental issue done by KRA, Immigration, NEMA etc. After consultant team clarifies the expectation of Mombasa County government, we can have another discussion on how County government can be involved in the IP. (Mr. Watanabe)

⇒ For the time being, while we concentrate on OSS related organizations such as KRA, Immigration and NEMA, we can also clarify the roles and responsibilities of Mombasa County government in OSS and consider if we should regard them as part of the OSS or in different ways of involvement. (Ms. Kaneko)

(2) Contents to be agreed with KRA, Immigration, NEMA

- Ms. Kaneko explained proposal contents of agreement with other organizations.
 - ✓ Question and answer about Obligations of the Parties (KRA, Immigration, NEMA)
 - About duties by NEMA's seconded officers in OSS, since we have more information, we forward this proposal to head office and the relevant lead agency. (Mr. Njehia)
- ⇒ When I indicated County office, I thought it's the County office of NEMA but I think your comment is valid. I will specify as NEMA County office/NEMA head office/lead agencies. (Ms. Kaneko)

✓ Question and answer about contact persons on OSS

- I was trying to clarify SOP (standard operating procedures) and these are procedures which are supposed to be instituted in the agencies under OSS. On top of the SLA, for example KRA is supposed to have SOP on how to handle SEZ issues on their side so that they have clear procedures.

I was trying to clarify if there are similar document: service charter. Previously consultant team asked KenInvest whether there issues are included in the service charter and I think one of the agencies said they don't have the issues in their service charter, but I think SOPs are more than service charter because SOPs explain the procedure when an application comes. Information like what are the required documentations and timelines required for the agency to approve, I did not have much time to look at but it is something the team need to look at, as we discuss this OSS. (Mr. Njehia)

⇒ Did you manage to get the SOP? (Ms. Kaneko)

- ⇒ Not yet. SOP are supposed to exist in the agency but there are no existing SOP for now in SEZA because we have not started working with other organizations. That will be something what SEZA is trying to do with KRA: the guidelines on how to access import duty for SEZ. I'm not sure if this can be an SOP, but it is something like that. I will find out if there is an existing SOP. (Mr. Njehia)
- ⇒ We also discussed about the differences between SLA and MoU, and what we found out between two documents is that SLA drafted for the KRA and Immigration with support of IFC describes the detailed processes and procedure much in detail on how to handle the tax and immigration-related issues and what the incentive will be, while the MoU is more a kind of agreement between two concerned organizations, how to do their own obligations and how to collaborate where they are able to collaborate. Hence, I just wonder if the SLA exists, it indicates sometime more like the SOP. (Ms. Kaneko)
- ⇒ Actually, I think SOP can be included in the SLA. (Mr. Njehia)
- ⇒ Please share with us once you are able to find out the document. (Ms. Kaneko)
- ⇒ Yes, I will do (Mr. Njehia)

✓ Question and answer about TM (Thematic Meeting)

- As the next step on OSS, may I propose to start thinking about having another TM with individual organizations? (Ms. Kaneko)
 - ⇒ We need to be well equipped, maybe it is a question of how well prepared we are and at what level of engagement we need to be at, because some of these things require even the head of that organization. (Mr. Njehia)
 - ⇒ Why don't we start just discussing the contents because we may need several sessions of discussions for each organization? For example, one with technical level, management level. but this is a good time that we start discussing the contents, so that we are aware of every detail as we are preparing the agreement. So, we can first discuss with the technical level and then we move on the management level when its ready. (Mr. Watanabe)
 - ⇒ When we start, it depends on the approach. (Mr. Njehia)
 - ⇒ We have to think about with a strategy on how to proceed with this discussion but my idea is that we should start with the technical level. In previous meeting, all related

people joined TM, so they are aware our preparation. We can start from technical level, then when all sides are ready, we move on to management level for some confirmation. (Mr. Watanabe)

⇒ I suppose we need to be formal this time. We need to write to those organizations and have clear objectives on how we are going to do so that there is clear understanding by those organizations. I think it will need a bit of well preparedness in terms of the approach so that we institutionalize the process. (Mr. Njehia)

⇒ So you prefer formal process? (Mr. Watanabe)

⇒ I think it has to be formal this time, because are we are willing to sign the MoUs. Or, just discussing the contents? (Mr. Njehia)

⇒ Signing may be good but I know it takes time, because we need discussions. However, at least discussion of contents between SEZA and OSS related organizations. We will get sign eventually. (Mr. Watanabe)

⇒ Yes, eventually the contents need to be signed. (Mr. Njehia)

⇒ I think we are still in the process of discussion so it depends on where we are on our goal. By end of November we see whether we need to sign or we just have some consensus on the contents. (Mr. Watanabe)

⇒ At this point in time, perhaps we can't identify how we are able to be prepared enough for having a formal meeting with respective organizations and as Mr. Watanabe said, our ultimate goal will be to sign the MoU or reach an agreement with the three organizations, but the process of discussions with regard to the agreement or conditions will probably take some time and I just wonder if we are able to start discussions at the technical level. (Ms. Kaneko)

- Do you think it's still premature at this moment, Mr. Njehia? (Ms. Kaneko)

⇒ I don't know, maybe others can give their views. (Mr. Njehia)

⇒ To Mr. Watanabe, we may not be able to reach a consensus with regard to holding the TM today, so maybe we can just internally discuss amongst ourselves and see how we are able to strategize ourselves and present in the next meeting.

To Mr. Njehia, could you make internal discussion in SEZA about how are we able to proceed our discussions with KRA, Immigration and NEMA? (Ms. Kaneko)

⇒ Noted. I also think about it and report on next Wednesday. I will have to consult

internally so that we agree on how to go about it. (Mr. Njehia)

(3) Legal structure of SEZ operation

- Mr. Watanabe shared ideas of legal structure of SEZ operation and position of OSS.
- ✓ Question and answer about legal structure
 - I think your understanding is correct because the difference between MoU and SLA is that both can work by mutual understanding. Even it is legal, it cannot be completely executed using force; but I think both MoU and SLA are understanding on the project of the whole essence of the whole cooperation between the two organizations. Both are supposed to facilitate and improve the business environment for the investor, and if the two organization have the same objective, the difference could be more academic than anything else. (Mr. Njehia)
 - ⇒ For OSS, MoU would be more practical and specific to the organization. Since SEZA and KRA is talking about the rule of operations, OSS will be managed based on this MoU. (Mr. Watanabe)
 - ⇒ It could be better if it is agreeable between the two organizations, so that it doesn't depend on the person who is in charge and not affect the change of person. Since sometimes SEZA faces change of rules when officer changes. (Mr. Njehia)
 - ✓ Question and answer about legal structure of OSS in DK SEZ
 - About the figure of legal structure of OSS in DK SEZ, is OSS in Nairobi which are supported by KenInvest temporarily arrangement? (Mr. Njehia)
 - ⇒ As one option, OSC KenInvest can support providing services in Nairobi. Hence, there's no need that OSS in Nairobi. I suppose that the collaboration between SEZA and KenInvest in some form of a collaboration needs to be continue. (Mr. Watanabe)
 - ⇒ I think MoU which indicates how KenInvest OSC and SEZA OSS will work together is necessarily concluded between SEZA and KenInvest. Although activities of SEZA are not that many, is there plan for now and for future? (Mr. Njehia)
 - ⇒ For now, the main activity will remain in Nairobi. For future as SEZ develops, we need more functions in Mombasa. I think some small functions needs to be kept in Nairobi because Nairobi is where the investor comes first. In that sense, the same contact for KenInvest, EPZ and SEZ, that will make our service simple and easier for investor to understand when we put it as a one stop service. (Mr. Watanabe)

- ⇒ I agree with it. As I said earlier, we are already working together. The challenge is that it is not institutionalized because we do it informally. (Mr. Njehia)
- ⇒ In addition to discussion with KRA and Immigration, we also need to discuss with KenInvest on how we can collaborate in the short term and long run. (Mr. Watanabe)
- ⇒ I agree to have short term and long-term plans. (Mr. Njehia)

(4) Way forward

- Next weekly meeting: 11.00 (Kenyan time) on Wednesday 28 October
- Next Thematic meeting: to be discussed in next regular meeting

End of document

Meeting Memo of Regular Meeting with SEZA for DK SEZ

Date and time	28 October 2020 11:00-11:40 Kenya ST/17:00-17:40 JST	
Venue	Remote Meeting (Skype)	
Topics	<ol style="list-style-type: none"> 1. Agreement with OSS-related Organizations 2. Contents to be agreed with KRA, Immigration, NEMA 3. Confirming legal and operational structure of OSS management 4. Way forward 5. AoB 	
Participants	SEZA JICA Consultant team	Eng. Murimi Mr. Matsushima Mr. Watanabe, Ms. Kaneko, Ms. Konaka Mr. Brian, Mr. Kinoti, Ms. Karen

Following agenda was discussed in the meeting.

(1) Agreement with OSS-related Organizations

- Ms. Kaneko gave a recap of previous meeting on OSS issues through power point slides.
- ✓ Question and answer about proposed options for the next step
 - Best option for SEZA is to continue internal discussion to make draft documents. So that SEZA and partner organizations can review and make adjustment. SEZA will submit the draft agreement PS to explain contents. (Eng. Murimi)
 - ⇒ Noted. Meantime we will proceed to draft up the agreements. (Mr. Watanabe)
 - ⇒ SEZA and consultant team will prepare draft agreements for discussion with related organizations. (Ms. Kaneko)
 - ⇒ It is possible. The discussion result will be brought to PS. (Eng. Murimi)
 - ⇒ As a question of protocol issues, when the draft is sent to the partner organizations to start discussing contents, isn't it necessary to get an approval within SEZA or MoITED? (Ms. Kaneko)
 - ⇒ In discussion phase, sending draft documents to partner organizations is no problem unless the officially signed. (Eng. Murimi)
- ✓ Question and answer about SOP
 - Related to MoU, is there necessity to draft SOP? (Mr. Brian)

⇒ What is important in this situation is that SEZA makes agreement with partner organizations. I suppose that preparation of SOP is not necessary yet. (Mr. Watanabe)

⇒ Noted. (Mr. Brian)

(2) IP planning condition

- Mr. Watanabe mentioned the change of loop plan of intersection of Mombasa Southern Bypass Road. He informed that consultant team of JICA Yen Loan Project will participate in next regular meeting to confirm design change. Hence, he requested Mr. Kinoti to confirm the latest information to KeNHA.

(3) **Way forward**

- Next weekly meeting: 10.00 (Kenyan time) on Wednesday 4 November

End of document

Meeting Memo of Regular Meeting with SEZA for DK SEZ

Date and time	4 November 2020 10:00-11:30 Kenya ST/16:00-17:30 JST	
Venue	Remote Meeting (Skype)	
Topics	<ol style="list-style-type: none"> 1. Yen Loan Project: project outline and Southern Bypass and access road junction 2. IP Plan: proposed land use plan and infrastructure plan 3. OSS: Draft agreement (KRA) 4. Way forward 5. AoB 	
Participants	SEZA JICA JICA Expert Yen Loan Project Consultant team Consultant team	Eng. Murimi Mr. Wakabayashi (HQ) Dr. Steve, Ms. Carol (Kenya office) Mr. Matsushima Mr. Takakaze, Mr. Ichikawa, Mr. Nakano Mr. Watanabe, Ms. Kaneko, Ms. Konaka Mr. Brian, Mr. Kinoti, Ms. Karen

Following agenda was discussed in the meeting.

(1) Yen Loan Project: project outline and Southern Bypass and access road junction

- Mr. Takakaze who is the leader of Yen Loan Project introduced about project scope which focuses on port and access road design and explained change of ramp shape of Southern Bypass and access road. According to the presentation, the diagonal cloverleaf shape of the ramp is considered as an alternative.
- Then, he shared the schedule of the trip to Kenya: the consultant team will travel in the end of November, and they will have discussion with KeNHA in Nairobi.
- Mr. Kinoti requested continuous information sharing about the change of plan to Yen Loan Team.

(2) IP Plan: proposed land use plan and infrastructure plan

- Mr. Kinoti explained updated information of DK SEZ master plan and detailed plan of infrastructures.

- ✓ Discussions on design change which is affected by the change of ramp shape
 - *Administrative block which is affected by the change of ramp shape of the junction:* I'd like to talk alternative location with Eng. Murimi.

The isolated parts of the Northern side of Industrial Park (IP): due to the change of ramp shape, I suppose there are two options: first idea is to have two gates which includes isolated area and others. Second idea is that the isolated area will be outside of custom territory.

Requirements of underground power cable: SEZA is integrating powers to all underground cabling in other SEZs. In details I suppose it is necessary to discuss with person in charge of ICT for future plan. (Mr. Njehia)

⇒ As for design change of ramp shape, I suppose diagonal clover shape is almost fixed and SEZA needs to follow (Later confirmed to the Yen Loan Team that ramp design is not finalized. Design work still continues). (Mr. Watanabe)

⇒ Currently, the examination is almost final and contractor is already decided.

Related to administrative block, County Government has responsibility for urban transport. Hence, this issue should be well discussed with Mombasa County Government. Since similar issues on gate system is examined in the Grant Aid project, the information might be helpful for you.

As for underground power cables, it is advised that SEZA will talk to KeNHA about common duct since road construction already commenced. (Dr. Steve)

⇒ From next week, we'll point out the details for each topics and discuss details. (Mr. Watanabe)

⇒ I noted and appreciate your comments. (Mr. Njehia)

(3) OSS: Draft agreement (KRA)

- Ms. Kaneko shared draft agreement between SEZA and KRA. Then, she asked Mr. Njehia to review some detailed clarifications of highlighted parts in the document.
- Mr. Njehia agreed to consider the details of the agreement.
- ✓ Discussion about the term of the agreement
 - I suppose that MoU looks more friendly and acceptable for partner organizations. Maybe we can consider starting it as MoU and later going to SLA. I am open to consider either MoU or SLA. (Mr. Njehia)

⇒ I agree with you. We start to think about the MoU to have basic understandings with the partner organizations then, we can probably go into SLA for more details on process and procedures in each OSS function, which is somehow related to Standard Operation Procedure (SOP). (Ms. Kaneko)

✓ Discussion about scope of the agreement

- I think this agreement should be applied to all SEZs controlled by SEZA. In that case, this should be general and no need to mention DK SEZ particularly. (Mr. Njehia)

⇒ I wonder whether it is acceptable to have only one MoU to apply all SEZ for SEZA. It is because the obligations from each party. For example, the condition of nomination and deployment for KRA may be different in other SEZ like Naivasha. This is the points we need to look at. (Ms. Kaneko)

⇒ In my opinion, it is better that there's one agreement rather than having many. (Mr. Njehia)

⇒ I would like to respect your decision so we would like to leave it up to you for the internal discussion. Depending on decision by SEZA, the revision is reflected into the draft agreement. (Ms. Kaneko)

⇒ I noted. (Mr. Njehia)

(4) Way forward

- Next weekly meeting: 10.00 (Kenyan time) on Wednesday 11 November

End of document

Meeting Memo of Regular Meeting with SEZA for DK SEZ

Date and time	11 November 2020 10:00-11:00 Kenya ST/16:00-17:00 JST	
Venue	Remote Meeting (Skype)	
Topics	<ol style="list-style-type: none"> 1. OSS: Draft agreement 2. IP Plan: proposed land use plan and infrastructure plan 3. Way forward 4. AoB 	
Participants	SEZA	Eng. Murimi, Mr. Gitau
	JICA	Dr. Steve (Kenya office)
	JICA Expert	Mr. Matsushima
	Consultant team	Mr. Watanabe, Ms. Kaneko, Dr. Meng, Ms. Konaka Mr. Brian, Mr. Kinoti, Ms. Karen

Following agenda was discussed in the meeting.

(1) OSS: Draft agreement

- Ms. Kaneko asked result of review by SEZA on draft agreement with KRA. Then, Mr. Brian told collective opinion of SEZA on agreement and current situation as follows.
 - The agreement document should not be legally binding, so SEZA prefers the style of MoU.
 - Comments on draft agreement with KRA will be collected and sent to consultant team by email.
- Ms. Kaneko briefly explained about two options of agreement structure and some conditions of the contents.
- ✓ Question and Answer about agreement structure
 - I suppose option 1 is better for SEZA since SEZA and partner organizations have different condition for commitment. Also, SEZA has done process mapping of how many officers we require from KRA (including customs duty) because KRA has several activities. Then, SEZA needs to finalize the process mapping together with the planed schedule of concluding MoU and human resources such as how many officers are necessary to kickstart the operationalization of DK SEZ. (Mr. Gitau)
 - ⇒ Your comment is well taken, so we'd like to talk details next week. (Ms. Kaneko)

(2) IP Plan: proposed land use plan and infrastructure plan

- Dr. Meng shared ideas of revised concept of detailed plan which were affected by the ramp

design change of Mombasa Southern Bypass Road.

✓ Discussions on design change

- With this new design, where do you propose the location of office administration block? (Eng. Murimi)

⇒ Two places are proposed. (See Figure-1) (Dr. Meng)

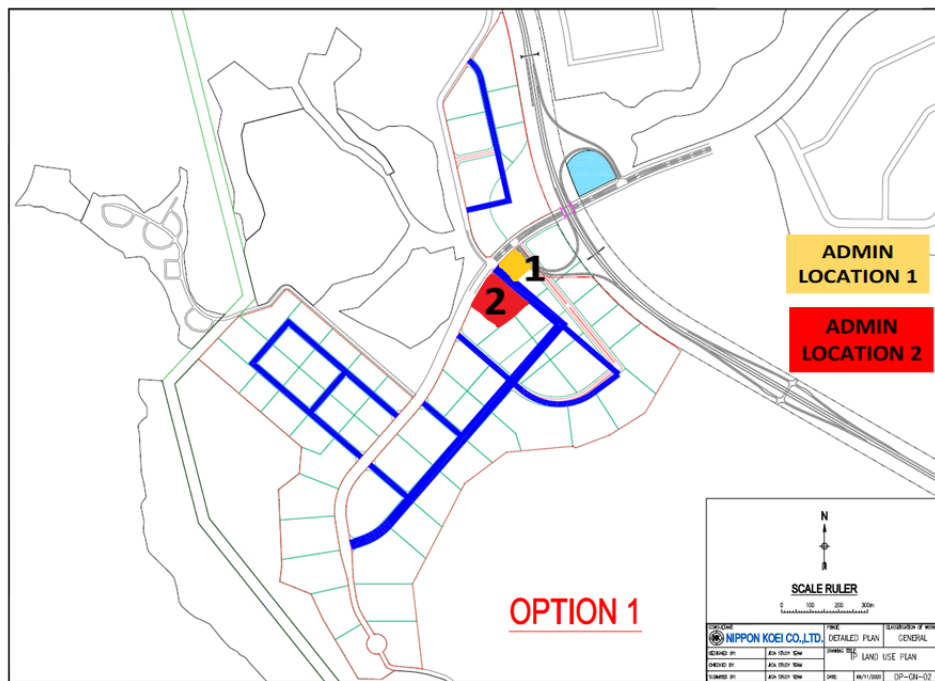


Figure-1 Alternative of Administrative Block

⇒ I prefer No.2 and plot of No.1 can be used for factory. My impression is that there would be few traffic and comfortable for officers because it has distance from the junction in terms of noise. Then, where is the gate of IP? (Eng. Murimi)

⇒ The entry gate can be located for entry point in the exit and entrance of rampway. As an option, you can consider other fences because IP has three parts apart by affection of the ramp design change. (Three parts are colored in yellow in the Figure-2)

- Northern part of the IP
- Middle part of the IP (including administrative building)
- Southern part of the IP

The gates can be established for the entrance of those areas.

The boundary of IP is clear since IP locates in the edge of DK SEZ and those places are surrounded physically. Hence, fences can be established only for area adjacent to other area in DK SEZ for safety.

⇒ When can we receive the draft plan? Since SEZA advertised for the construction of administrative building, we need this as soon as possible. (Eng. Murimi)

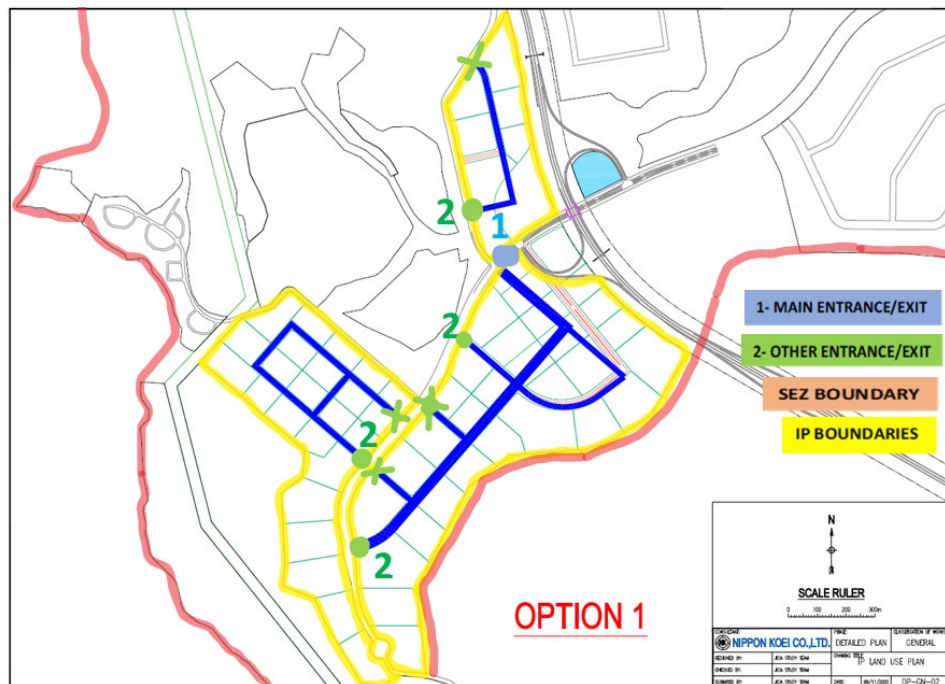


Figure-2 Three Parts of IP Plots which Face Access Road

⇒ Noted. We will send it next week. (Dr. Meng)

⇒ The ramp design has been changed but is not finalized yet, so minor change might take place. However, we will prepare the draft plan based on the information we have and we will explain again next week. (Mr. Watanabe)

(3) Way forward

- Next weekly meeting: 10.00 (Kenyan time) on Wednesday 18 November.

End of document

Meeting Memo of Regular Meeting with SEZA for DK SEZ

Date and time	18 November 2020 10:00-11:00 Kenya ST/16:00-17:00 JST	
Venue	Remote Meeting (Skype)	
Topics	<ol style="list-style-type: none"> 1. OSS: Draft agreement 2. IP Plan: proposed land use plan and infrastructure plan 3. Way forward 4. AoB 	
Participants	SEZA	Mr. Francis Gitau, Eng. Murimi,
	JICA	Ms. Carol (Kenya office)
	JICA Expert	Mr. Matsushima
	Consultant team	Mr. Watanabe, Ms. Kaneko, Ms. Konaka Mr. Brian, Mr. Kinoti, Ms. Karen

Following agenda was discussed in the meeting.

(1) OSS: Draft agreement

- Ms. Kaneko kindly requested Mr. Gitau to proceed internal discussion within SEZA about structure of agreement documents for OSS.
- Mr. Gitau and Mr. Brian agreed to get consensus on the issue and report back to the consultant team with the results.
- The submitted comments by Mr. Gitau on draft agreement were reviewed and discussed in the meeting. Points are summarized in table below.

Table-1 List of Modified Parts

Article (Original number)	Article (New number)	Result of discussion in the meeting
3.1 and 3.2	-	Deleted
-	3.1	Added: “Establishment of a dedicated customs and boarder control office at One-stop Shop in Dongo Kundu SEZ”
3.3	-	Deleted
3.6-3.8	-	Deleted
4.1.1	4.1.1	Added: “Provision of adequate KRA infrastructure”

Article (Original number)	Article (New number)	Result of discussion in the meeting
4.2.1	4.2.1	Partially deleted: “Nominate and deploy suitable officers from both Customs and Domestic tax departments... to investors and movement of goods.”
4.2.3	4.2.3	Partially deleted: Consider rotation of nominated officers after every 2 years as a way of institutionalizing the function; changed to read Consider rotation of nominated officers as a way of institutionalizing the function.
4.2.5	4.2.5	Changed: taxpayers → SEZ entities

- ✓ Question and answer about name of agreement
 - Since SEZA preferred MoU to SLA in previous discussion, shall we change the title of agreement to MoU? (Ms. Kaneko)
 - * I agree. (Mr. Gitau)
- ✓ Calcification about comments on agreement document
 - [3.1 Areas of collaboration]

What’s the difference between dedicated customs and boarder control office? Also, are there customs and boarder control office in the same location or different location? (Ms. Kaneko)

 - * Boarder control office will be outside of administrative block but it locates inside SEZ. Custom gate is in SEZ where KRA staff check products. SEZ will also require someone in the administrative block who explains to investors the issues of tax incentives, facilitates the issuance of import/export code etc. Hence, officers from Customs and Marketing Cooperate department are necessary. (Mr. Gitau)
 - * Noted. And does it mean that at the time of negotiation with KRA and when we are presenting the draft agreement with KRA, you confirm how many people will be required at each duty station? (Ms. Kaneko)
 - * Yes. (Mr. Gitau)
 - [3.1 and 3.2]

Added stipulations of 3.1 and 3.2 might be confusing to insert in these articles. Why don’t we move them under the section which mentions obligations of both parties (4.2 Obligations of SEZA and KRA), so that we request KRA to secure to the movement because its outside OSS work, or would you like to keep it in 3.1? (Mr. Watanabe)

⇒ Move to 4 section is not so different to me. Regardless the discussion of priority, there is necessary that KRA establishes the gate house and some warehouse where KRA arrests underdeclared goods. (Mr. Gitau)

- * Noted. We'll keep it in 3.1 at this moment. (Mr. Watanabe)
- [4.1.1 Provision of adequate KRA infrastructure]
 - I added article 4.1.1, however we'd like to discuss details next week since KRA has Customs guideline KRA. In this guideline we will see what kind of infrastructure needed. (Mr. Gitau)
 - ⇒ Noted. I'd like to ask you to share once details are available. (Ms. Kaneko)
 - * Noted. (Mr. Gitau)
- [4.2.3 Rotation of nominated officers]
 - According to the public service law, the officer can only be assigned at one station for not more than 3 years. Thus, it is advisable to modify such way (Eng. Murimi)
 - ⇒ Noted. (Ms. Kaneko)
- [4.2.5 SEZ entities]
 - "SEZ entities" means anybody who has right to operate in SEZ, such as SEZ developer, SEZ operator and SEZ enterprise. (Mr. Gitau)
- ✓ Question and answer about structure of document
 - I suppose that the point is whether the agreement is made as Zone level for each SEZ or national level. Then, agreement at national level can support SEZA and KRA to address macro level issues such as policy, information, etc. There is no so much issues if the agreement is retained at zone level. (Mr. Gitau)
 - * This draft agreement at this moment is at the zone level so we are talking about the DK SEZ; but in parallel we are discussing about the structure of agreement and we are presenting two options. One is to have the general one at the national level between SEZA HQ and KRA HQ where we cover the general provisions, and specific conditions for each individual SEZ will be indicated in the form of amendment or attachment. For example, 3.1 and 3.2 can stay if this document will be treated as the zone level, but if we choose to make the agreement as the national document then we will keep the general provisions as it is in this document, then we take specific conditions and move to an amendment or attachment. (Ms. Kaneko)
 - ⇒ Noted. What I commented was same ideas with you. (Mr. Gitau)
 - * Based on SEZA's decision, whichever option 1 or 2, I will adjust the draft document accordingly. (Ms. Kaneko)

(2) IP Plan: proposed land use plan and infrastructure plan

- Mr. Watanabe mentioned that Dr. Meng will give comments on design change to SEZA so

that SEZA can discuss in the next regular meeting.

(3) Way forward

- Next weekly meeting: 11.00 am (Kenyan time) on Wednesday 25 November.

End of document

Meeting Memo of Regular Meeting with SEZA for DK SEZ

Date and time	25 November 2020 11:00-12:00 Kenya ST/17:00-18:00 JST	
Venue	Remote Meeting (Skype)	
Topics	<ol style="list-style-type: none"> 1. OSS: Draft agreement 2. IP Plan: proposed land use plan and infrastructure plan 3. Way forward 4. AoB 	
Participants	SEZA	Mr. Njehia, Eng. Murimi
	JICA Expert	Mr. Matsushima
	Consultant team	Mr. Watanabe, Ms. Kaneko, Dr. Meng, Ms. Konaka Mr. Brian, Mr. Kinoti, Ms. Karen

Following agenda was discussed in the meeting.

(1) OSS: Draft agreement

- Ms. Kaneko confirmed the result of internal discussion by SEZA staff about structure of draft agreement. Summary is as follows.
 - The agreement is made as legally non-binding agreements; called as MoU.
 - Option1 is preferred by SEZA; agreements are concluded with each partner organizations.
 - Particular conditions for DK SEZ, if any, are moved to attachment of the documents.
 - Ms. Kaneko mentioned that she would share the revised document by next meeting. Then, Mr. Njehia agreed to follow up the revised draft agreement.
- ✓ Question and Answer about further steps
- After we make draft, would you like to proceed to hold thematic meeting to discuss with partner organizations? (Mr. Watanabe)
 - ⇒ I prefer to make internal discussion with PS (Principal Secretaries) and CS (Cabinet Secretaries) before the discussion with partner organizations. (Mr. Njehia)
 - ⇒ Noted. (Mr. Watanabe)

(2) IP Plan: proposed land use plan and infrastructure plan

- Dr. Meng showed revised plans including lot allocation plan of IP which reflecting the design change of Mombasa Southern Bypass road.
- ✓ Question and Answer about lot allocation plan

- I wonder whether we can keep flat plots for administrative block because the IP locates in hilly place. (Eng. Murimi)
 - ⇒ The candidate site is made flat with land elevation. It was confirmed based on the topographic data of satellite images. (Dr. Meng)
- ✓ Question and Answer about topographic survey
 - Has SEZA already started topographic survey? (Dr. Meng)
 - ⇒ Since squatters remains without payment, topographic survey is still pended. (Eng. Murimi)
 - ⇒ We still push for survey department. Procurement is not started yet, and I hope I can share progress in early December. (Mr. Njehia)
 - ⇒ At least with basic topographic map, we can make detailed plan with current data. When topographic survey results come out, we can continue detail analysis. (Mr. Watanabe)
 - Is it possible to conduct topographic survey by JICA or JICA Consultant Team budget?
 - ⇒ Neither of them has budget prepared. (Mr. Watanabe)
 - ⇒ SEZA will discuss internally this issue. (Mr. Njehia)
- ✓ Question and Answer about road reserved area
 - The area reserved for this IP is around 13%. Comparing neighbor country of Ethiopia, similar project in IP of Kilinto which has around 308ha has less than 10% of road reserved area. (Eng. Murimi)
 - ⇒ IP in DK SEZ has isolated areas. Since those areas are surrounded with road and gates, road reserved area is higher than IP in Kilinto. However, the design is flexible, where some roads can be eliminated if some leasers make requests for larger lots, plots are to be combined. Also, the median of the road can be arranged. Width of median will be reduced so that it doesn't affect traffic flow. We'd like to make revised plans. (Dr. Meng)
 - ⇒ Noted. (Eng. Murimi)

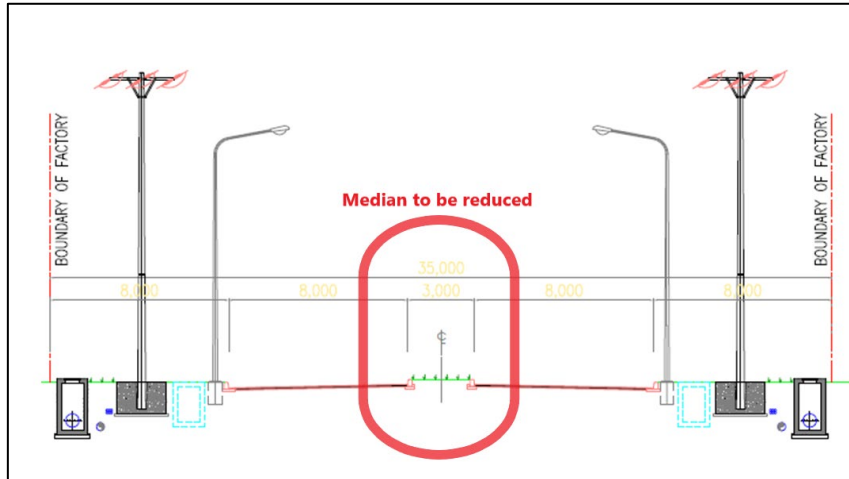


Figure-1 Median of the Road

(3) Way forward

- Next weekly meeting: 10.00 (Kenyan time) on Wednesday 2 December.
- Holiday for SEZA officers starts from 19 December. Regular meeting will be continued until 16 December.

End of document

Meeting Memo of Regular Meeting with SEZA for DK SEZ

Date and time	2 December 2020 11:00-11:40 Kenya ST/16:00-16:40 JST	
Venue	Remote Meeting (Skype)	
Topics	1. OSS: Draft agreement 2. IP Plan: proposed land use plan and infrastructure plan 3. Way forward	
Participants	SEZA	Mr. Njehia, Eng. Murimi
	JICA	Mr. Wakabayashi
	JICA Expert	Mr. Matsushima
	Consultant team	Mr. Watanabe, Ms. Kaneko, Dr. Meng, Ms. Konaka Mr. Brian, Mr. Kinoti, Ms. Karen

Following agenda was discussed in the meeting.

(1) OSS: Draft agreement

- Ms. Kaneko shared the draft agreement with Immigration and NEMA. The document is similar to one with KRA but she requested SEZA to review highlighted parts. Particular points shared in the meeting includes following:
 - [OSS with Immigration] To confirm name of singer (Person in charge of Ministry of Interior and Co-ordination or Department of Immigration Service)
 - [OSS with NEMA] To confirm name of signer (Person in charge of Ministry of Environment or NEMA)
- Mr. Njehia agreed to review the contents with other SEZA staff.

(2) IP Plan: proposed land use plan and infrastructure plan

- Dr. Meng showed 4 options of road networks which reflected the reduction of road portion based on the previous discussion and road design guideline as Kenyan standard. Then, he mentioned that option 4 is best one considering accessibility in Industrial Park.
- Dr. Meng explained outline of revised plan:

The size of the road and the median was adjusted, and the design of the inner road network was changed with narrower road reserve. However, the portion is much higher compared with Kilinto Industrial Park in Ethiopia since the road has minimum space to accommodate services, including the foundation for the power line posts, conduits for sewerage, water

supply and storm water drainage.

✓ Question and Answer about fence material around IP

- Which material, permanent masonry or temporary chain-link is more appropriate for fence?

(Eng. Murimi)

⇒ Such information could be obtained from the benchmarking visit in Athi River SEZ which conducted by Consultant Team. The report will be shared later. (Mr. Kinoti)

⇒ Noted. (Eng. Murimi)

(3) Way forward

● Next weekly meeting: 10.00 (Kenyan time) on Wednesday 9 December.

End of document

Meeting Memo of Regular Meeting with SEZA for DK SEZ

Date and time	9 December 2020 10.00-11:30 Kenya ST16:00-17:30 JST	
Venue	Remote Meeting (Skype)	
Topics	<ol style="list-style-type: none"> 1. OSS: Agreement Documents for NEMA and Immigration (confirmation of SEZA comment) 2. Report of Athi River Business Trip 3. IP: Proposed Land Use Plan & Infrastructure Plan 4. Way forward 	
Participants	SEZA	Mr. Njehia, Eng. Murimi
	JICA Expert	Mr. Matsushima
	JICA Consultant team	Mr. Watanabe, Ms. Kaneko, Dr. Meng, Ms. Konaka Mr. Brian, Mr. Kinoti, Ms. Karen

Following agenda was discussed in the meeting.

(1) OSS: Agreement Document with Stakeholders

- Ms. Kaneko clarified some points based on the comments provided by SEZA on the draft agreement with Immigration and NEMA.
- Discussion points in the meeting are summarized in tables below.

Table-1 List of Modified Parts of MoU with Immigration

Article (original number)	Article (new number)	Result of discussion in the meeting
Cover page	-	Deleted: “Director of Immigration”
-	3.1	Added: ‘Timely provision of Visas and work permits for foreign SEZ investors and other business permit
3.3, 3.5,3.6	-	To be confirmed by SEZA whether such general information will be kept or removed.
4.1.5	-	To be confirmed by SEZA whether such general information will be kept or removed.
-	4.2.1	Added: “Coordinate and expedite the issuance of work permits and VISAs for SEZ foreign investors within the timelines stipulated under the

		Department of Immigration Service Charter.”
4.2.1	-	To be confirmed: The name of department which nominated and deployed for OSS services
4.2.3	4.2.4	To be confirmed by SEZA whether terms of rotation of nominated officers (not more than 3 years) will be kept or removed.
4.2.5	4.2.6	To be confirmed by SEZA whether such general information will be kept or removed.

Table-2 List of Modified Parts of MoU with NEMA

Article (original number)	Article (new number)	Result of discussion in the meeting
General provision	-	To be confirmed whether following sentence will be added or not: “In order to facilitate issuance of environment approval for the purpose of environmentally friendly investment promotion in Special Economic Zones (hereinafter referred to as “SEZs”)
3.3, 3.5, 3.6	-	To be confirmed by SEZA whether such general information will be kept or removed.
4.1.5	-	To be confirmed by SEZA whether such general information will be kept or removed.
4.2.1	-	To be confirmed: The name of department which nominated and deployed for OSS services
4.2.5	-	To be confirmed by SEZA whether such general information will be kept or removed.

- ✓ Confirmation about further step of MoU
- SEZA needs to consult the contents of MoU internally in SEZA and also with partner organizations. After that confirmation, SEZA will submit MoUs to MoITED for review, probably in January 2021. (Mr. Njehia)
- ⇒ Noted. (Ms. Kaneko)

(2) Report of Athi River EPZ site visit

- Mr. Kinoti explained result of the benchmarking visit of the Athi River EPZ and shared the infrastructure and operations there with power point slides.

(3) Industrial Park- Infrastructure Plan

- Dr. Meng showed revised maps of infrastructure plans (water supply, stormwater drainage, sewerage system and power supply) which reflected changes based on the revised Southern Bypass and access road shape and mentioned that he will calculate costs for infrastructure development.

✓ Question and answer about sewage system

- For the sewage generated by enterprises, do they need to pre-treatment in their plots or does SEZA need to collect and purify collectively? (Eng. Murimi)

⇒ The enterprises would be required to pre-treat their wastewater to the standards prescribed before discharge into the public sewage pipe. In addition, these enterprises would be required to provide monthly quality test reports to the SEZA to ensure compliance. Otherwise, punishment can be given for the exceeding criteria. (Dr. Meng)

✓ Question and answer about safety measure

- Is it appropriate to establish command center with CCTV camera systems in entire IP? (Eng. Murimi)

⇒ The command center can be prepared inside administrative building and CCTV can be put in several points in IP. (Dr. Meng)

✓ Question and answer about development phases of IP

- As per the Master Plan made in 2015, there were phases for development for DK SEZ. Currently how many phases are planned for the development of IP in DK SEZ? (Dr. Meng)

⇒ It should be discussed with senior managers. (Eng. Murimi)

⇒ Noted. I suppose you can consultant to marketing department from the viewpoint of sales plan. (Dr. Meng)

⇒ Noted. (Eng. Murimi)

✓ Question and answer about zoning in IP

- Is it ideal if SEZA divide IP plots into zones for industry categories for marketing purpose? (Mr. Njehia)

⇒ Since around 100 ha is not quite large, I suppose there's no need to divide. (Mr.

Watanabe)

- ✓ Question and answer about housing supply for IP workers
- How can housing demand for workers in IP be dealt with? (Mr. Njehia)
 - ⇒ It was indicated in MP that the residential zones inside DK SEZ both for manager level and employers in IP. (Dr. Meng)
 - ⇒ I would like to request to estimate the capacity of the houses to confirm so that we can know it has enough houses to accommodate workers in IP. (Mr. Njehia)
 - ⇒ Housing supply by operating authority can be tricky because there were cases where other SEZs failed in assumption since individual companies offer dormitories and/or residences for their employees by themselves. I suppose the figure can be used for reference. (Mr. Watanabe)

(4) Way forward

- Mr. Watanabe reported that the consultant team is currently discussing with JICA to extend the consulting services till December 2021, which was originally planned until in February 2021. Once JICA confirms officially, he will share information to SEZA.
- Next weekly meeting: Wednesday, December 16 from 10:00 (Kenyan time). That will be final meeting and consultant team would like to recap our previous works in 2020.

End of document

Meeting Memo of Regular Meeting with SEZA for DK SEZ

Date and time	16 December 2020 10.00-11:00 Kenya ST16:00-17:00 JST	
Venue	Remote Meeting (Skype)	
Topics	<ol style="list-style-type: none"> 1. OSS: Agreement Documents for NEMA and Immigration (confirmation of SEZA comment) 2. IP: Proposed Land Use Plan & Infrastructure Plan, Cost 3. Way forward 	
Participants	SEZA	Mr. Njehia, Eng. Murimi
	JICA	Mr. Wakabayashi
	JICA Expert	Mr. Matsushima
	JICA Consultant team	Mr. Watanabe, Ms. Kaneko, Dr. Meng, Ms. Konaka Mr. Brian, Mr. Kinoti, Ms. Karen

Following agenda was discussed in the meeting.

(1) OSS: Agreement Document with Stakeholders

- The current status of Draft MoU was shared by Mr. Njehia as following:
 - SEZA already shared the draft documents with KRA, NEMA and Immigration.
 - The respective officers of organizations will go over them informally and give their comments in January 2021.
 - Afterwards, SEZA will share with the senior management MoITED. Once the management reviews and confirms the drafts, SEZA will share them with heads of partner organizations.

- ✓ Discussion about SOP related work in 2021 activity
 - In response to the plan of SOP related work, I appreciate to start from small preparation. However, I wonder that the review process will delay since currently SEZA has not been approved as formal operational body. SEZA is waiting approval for HR (Human Resource) document, which will be implemented as fast track by CS. It is estimated that the procedure will finish by June 2021 since the documents were submitted around 2 month ago. (Mr. Njehia)
 - ⇒ Noted the situation. I suppose it will be good to focus on the consultation with the relevant organizations, on the draft agreement in our activity. In 2021, we can work more on consensus building with different organizations for SOP preparation. (Ms. Kaneko)

(2) IP: Proposed Land Use Plan & Infrastructure Plan, Cost

- Dr. Meng shared the output data of land use plan and infrastructure plan, and its costs.
- Dr. Meng asked the progress of the topographic survey especially for land grading information. Mr. Njehia reported that the survey team is not available, as they are engaging in Naivasha SEZ. They will be available for DK SEZ from January 2021. Eng. Murimi confirmed that he will share the tentative schedule of topo survey after he discusses with CEO.
- Mr. Kinoti shared some challenges about infrastructure plans and management:
 - [Water supply] SEZA might have to rely on the boreholes with the pipeline and also deliver water to water distribution center. The CEO comments that we should also check the issues.
 - [Solid waste management] CEO commented that it will be difficult for Mombasa County Government to manage solid waste from DK SEZ. It may be useful to do actual check on the dumping sites and new land fill areas for the management of the solid waste from IP.
- ✓ Question and answer about sewage treatment facility
 - Where do you discharge the final product? (Eng. Murimi)
 - ⇒ Since the final product meets the standard, it will be discharged to outside of IP through 4 discharge points inside IP. (The power point slide of discharge catchment plan was shared) Besides, partial improvement of stream outside of IP is necessary. (Dr. Meng)
- ✓ Question and answer about solid waste management
 - Regarding to the management, the best option would be to identify a space inside IP and use private companies for operation. (Mr. Njehia)
 - ⇒ It will be difficult to set up the solid waste station inside since IP has only 117 ha. There are some cases where private companies do collection in Mombasa County. As a business model, each tenants can make contract with the private solid waste collector. (Dr. Meng)
 - ⇒ Actually Mombasa County Government and NEMA need to develop a waste management plan. The Draft was made in 2019 from both NEMA and Mombasa County but implementation has not started. (Mr. Kinoti)
 - ⇒ I suppose we need to discuss again with Mombasa County in details. (Mr. Watanabe)

(3) Way forward

- Next weekly meeting: Wednesday, January 6 from 10:00 (Kenyan time).

End of document

Meeting Memo of Regular Meeting with SEZA for DK SEZ

Date and time	6 January 2021 10.00-10:40 Kenya ST16:00-16:40 JST	
Venue	Remote Meeting (Zoom)	
Topics	<ol style="list-style-type: none"> 1. Activity for 2021 2. OSS: Agreement Documents for NEMA and Immigration (confirmation of SEZA comment) 3. IP: Proposed Land Use Plan & Infrastructure Plans 4. AoB 5. Way forward 	
Participants	SEZA	Mr. Njehia, Eng. Murimi
	JICA	Mr. Wakabayashi
	JICA Expert	Mr. Matsushima
	JICA Consultant team	Mr. Watanabe, Ms. Kaneko, Dr. Meng, Ms. Konaka Mr. Brian, Mr. Kinoti, Ms. Karen

Following agenda was discussed in the meeting.

(1) Activity for 2021

- Mr. Watanabe introduced the outline of additional scope of the consultant team in 2021 through power point slides.
- Mr. Matsushima explained the background to conduct study on EAC SEZ and SEZA confirmed the new scope of the study.

(2) OSS: Agreement Document with Stakeholders

- Mr. Watanabe inquired Mr. Njehia about the progress of the comments by 3 organizations (KRA, NEMA, Immigration). Then, Mr. Njehia reported that they haven't resumed the work after holiday but will follow up their situation by next week.
- Ms. Kaneko inquired Mr. Njehia about the situation of SEZA's HR document. However, it was confirmed that SEZA has not received the reply.

(3) IP: Proposed Land Use Plan & Infrastructure Plans

- Dr. Meng shared the current status of collection of unit cost from other projects which were implemented by JICA. Afterwards, he'll prepare a draft cost estimation of infrastructure plan.
- ✓ Question and answer about financial analysis

- After we compile cost estimation of construction, it's necessary to consider the revenue for finance plan. Is the land lease price set by the Government of Kenya 60 USD/m² for EPZ?
(Mr. Watanabe)

⇒ I am not sure about the price but I agree to the procedure. (Eng. Murimi)

⇒ Noted. First, we'll use that unit price for revenue and compare the total revenue with the expense of construction cost. Then, we consider the strategy on the financial aspect such as whether all the construction costs should be covered in the revenue or subsidies will be introduced. In the latter case, the revenue can only cover operation and maintenance.
(Mr. Watanabe)

- Dr. Meng enquired on the progress of the topographic survey and Mr. Njehia reported that SEZA is preparing to start survey since Survey Department finalized the work in Naivasha.

(4) AoB

- Mr. Watanabe informed that consultant team would like to keep the remote meetings until March. From April, the team can have the meetings every week or twice a month depending on the progress and situation.

(5) Way forward

- Next weekly meeting: Wednesday, January 13 from 10:00 (Kenyan time).

End of document

Meeting Memo of Regular Meeting with SEZA for DK SEZ

Date and time	13 January 2021 10.00-10:40 Kenya ST16:00-16:40 JST	
Venue	Remote Meeting (Zoom)	
Topics	1. OSS: Agreement Documents for NEMA and Immigration (confirmation of SEZA comment) 2. IP: Proposed Land Use Plan & Infrastructure Plans 3. AoB 4. Way forward	
Participants	SEZA	Mr. Njehia, Eng. Murimi
	JICA	Mr. Wakabayashi
	JICA Expert	Mr. Matsushima
	JICA Consultant team	Mr. Watanabe, Ms. Kaneko, Dr. Meng, Ms. Konaka Mr. Brian, Mr. Kinoti, Ms. Karen

Following agenda was discussed in the meeting.

(1) OSS: Agreement Document with Stakeholders

- Mr. Watanabe, Mr. Njehia and Mr. Brian confirmed about the review status by 3 organizations (KRA, NEMA, Immigration) and further steps as follows.

Table: Current status and further steps for OSS agreements

Organizations	Current status	Further steps
KRA	Waiting for their comments	Comments will be collected by the end of January 2021 To be reported to PS (together with other agreements)
NEMA	Requested further time to review	
Immigration	Requested further time to review	

- It was confirmed that Mr. Watanabe and Mr. Njehia will report the status to CEO and then confirm the flow for finalization including report to PS and discussion with stakeholders as further step.
- Mr. Njehia agreed the proposal by JICA consultant team to hold consultation with 3 organizations after confirmation with CEO.

(2) IP: Proposed Land Use Plan & Infrastructure Plans

- Dr. Meng reported progress of cost estimation:

- Part of unit price was already received by JICA Yen Loan project team and the work will be continued.
- The estimation reveals that there are around 2000 m³ of lack of water supply. some other source is necessary to be secured in the future.
- Dr. Meng will show items which he already finished and those that will be continued for more examination.
- Mr. Kinoti shared the current status of collecting data:
 - Several information such as water supply with World Bank, African Development Bank and government are undergoing.
 - CEO has commented that water resource planning and update should involve officers in charge for further communication with SEZA.
- Mr. Watanabe requested Mr. Kinoti for effective methods to make Draft Detailed Plan of IP Zone besides online regular meeting.

(3) AoB

- Mr. Matsushima reported that he is following SEZA to proceed topographic survey since there were misunderstanding for cost allocation between SEZA and JICA consultant team.

(4) Way forward

- Next weekly meeting: Wednesday, January 20 from 16:00 (Kenyan time).

End of document

Meeting Memo of Regular Meeting with SEZA for DK SEZ

Date and time	20 January 2021 10.00-10:40 Kenya ST16:00-16:40 JST	
Venue	Remote Meeting (Zoom)	
Topics	<ol style="list-style-type: none"> 1. OSS: Agreement Documents for NEMA and Immigration (confirmation of SEZA comment) 2. IP: Proposed Land Use Plan & Infrastructure Plans 3. AoB 4. Way forward 	
Participants	SEZA	Eng. Murimi
	JICA Consultant team	Mr. Watanabe, Ms. Kaneko, Dr. Meng, Ms. Konaka Mr. Brian, Mr. Kinoti, Ms. Karen

Following agenda was discussed in the meeting.

(1) OSS: Agreement Document with Stakeholders

- Mr. Brian shared the review status by 3 organizations (KRA, NEMA, Immigration) and further steps as follows. Then, Ms. Kaneko agreed to reflect comments by Immigration on Article 3.3 as for data sharing.

Table: Current status and further steps for OSS agreements

Organizations	Current status	Further steps
KRA	Waiting for their comments	The contents of Draft MoU will be reported to PS by the end of January 2021.
NEMA	Confirmed and no comments	
Immigration	Article 3.2 will be revised based on the comments received	Comment reflection will be confirmed by SEZA and latest contents of Draft MoU will be reported to PS by the end of January 2021.

(2) IP: Proposed Land Use Plan & Infrastructure Plans

- Dr. Meng reported progress of cost estimation:
 - Road plan: Unit cost was collected by ODA team and currently compared with the data by Rural roads Authority.
 - Draft Bill of Quantities: Consultant team compares the draft with balanced estimation. Some information such as sewerage work, power supply and telecommunications need to be followed-up.

- Mr. Watanabe requested Mr. Kinoti to compile unit price information so that consultant team can start to calculate the rough figure of construction cost and determine the revenue. Then, Mr. Kinoti agreed.

(3) AoB – Work methodology

- Mr. Watanabe proposed and agreed by participants the work methodology to decrease online weekly meeting (every other week) but increase face-to-face meeting in Nairobi through the field work of the JICA consultant team. The purpose of the meeting will also change mainly to confirm the progress and discuss the challenges the team encounters with the stakeholders.

(4) Way forward

- Next weekly meeting: Wednesday, 3 February from 10:00 (Kenyan time).

End of document

Meeting Memo of Regular Meeting with SEZA for DK SEZ

Date and time	3 February 2021 10.00-10:50 Kenya ST 16:00-16:50 JST	
Venue	Remote Meeting (Zoom)	
Topics	<ol style="list-style-type: none"> 1. Activity from Jan 20 to Feb 3 2. OSS: (Current status and way forward) 3. IP: Proposed Land Use Plan & Infrastructure Plans 4. Way forward 	
Participants	SEZA	Dr. Meshack, Mr. Njehia
	JICA Expert	Mr. Matsushima
	JICA Consultant team	Mr. Watanabe, Ms. Kaneko, Ms. Konaka Ms. Karen, Mr. Brian, Mr. Kinoti

Following agenda was discussed in the meeting.

(1) Activity from Jan 20 to Feb 3

- Mr. Watanabe shared progress of the project and brief on the visits to Naivasha SEZ and Athi River EPZ through power point slides.

Dr. Meshack confirmed the project progress and mentioned that JICA consultant team keep reporting the progress of DK SEZ regularly, maybe weekly. Also, the details such as OSS, SOP are needed to be prepared before the operation. Then, Mr. Watanabe accepted it.

(2) OSS (Current status and way forward)

- Mr. Watanabe explained expected schedule and activities to make SOP.
 - Mr. Njehia commended that two officers from KRA is necessary for customs and domestic tax. As for this, Ms. Kaneko reminded of the statement by KenInvest that its OSC has one officer assigned by KRA who deals with both duties.
 - Mr. Njehia proposed to discuss the draft MoU agreements at the SEZA board before dissemination to manager level of other organizations. It is planned to include this topic in the agenda of next board¹.
- ✓ Questions and Answers about KEBS
- CEO proposed to include KEBS (Kenya Bureau of Statistics) in OSS since they mainly deal

¹ The board meeting is scheduled to be held in 11 February, but the including in agenda of the draft MoU was postponed. The board meeting is in every quarter of the year.

with the issue of COC (Certificate of Conformity). Normally SEZ applies exemption from COC so that their goods are not inspected at the source (not at KEBS) but to CS of MOITED. It is not sure to have a MoU signed with KEBS, since both SEZA and KEBS are under the same ministry. (Mr. Njehia)

⇒ JICA Consultant Team will review work by KEBS which are required for OSS in DK SEZ and confirm the process of making agreement with KEBS. (Mr. Watanabe)

(3) IP: Proposed Land Use Plan & Infrastructure Plans

- Mr. Kinoti explained the current situation of collecting and compiling information for IP development as follows.
 - It is necessary to collect current standard costing rates that the government uses from our ministry and the Ministry of Public Works.
 - There is a challenge to collect telecommunication services cost as they are provided private companies, and JICA consultant team may only get costs on a very preliminary basis.
- Mr. Njehia enquired that BOQ of common sewage plant. Then, Mr. Kinoti answered that the cost of the sewage plant will be separately calculated.
- Regarding solid waste management, Mr. Kinoti said the Mombasa County were opening a new dump site in Likoni area. According to the Mombasa County Officers, they thought this could initially be part of dumping options for DK SEZ.

(4) Way forward

- Next weekly meeting: Wednesday, 17 February from 16:00 (Kenyan time).

End of document

Meeting Memo of Regular Meeting with SEZA for DK SEZ

Date and time	17 February 2021 10.30-11:30 Kenya ST 16:30-17:30 JST	
Venue	SEZA Board room + Remote Meeting (Zoom)	
Topics	<ol style="list-style-type: none"> 1. Activity from 3 Feb to 17 Feb 2. Overview of KEBS (Kenya Bureau of Standards) 3. OSS agreement with KRA (Tax) 4. Way forward 	
Participants	SEZA	Mr. Njehia
	JICA Expert	Mr. Matsushima
	JICA Consultant team	Mr. Watanabe, Ms. Kaneko, Dr. Meng, Ms. Konaka Ms. Karen, Mr. Brian, Mr. Kinoti

Following agenda was discussed in the meeting.

(1) Activity from 3 Feb to 17 Feb

- Mr. Watanabe explained project progress since last regular online meeting.
- Mr. Kinoti shared the result of site visit in DK SEZ by consultant team and Eng. Murimi on 6 Feb.
- Mr. Watanabe commented that the extension of the access road (approximately 400m) will be supported Kenyan Government not by JICA since ODA loans has difficulty to change design area.

(2) Overview of KEBS (Kenya Bureau of Standards)

- Mr. Brian explained the overview of KEBS.
- Mr. Njehia and Ms. Kaneko commented that in what extent the activities by KEBS are introduced in the OSS, which would determine when a full-time officer needs to be assigned to DK-SEZ. Then, Mr. Watanabe concluded that in the next step, we will understand the management by EPZ and KenInvest for tasks by KEBS then, fully understand exact steps for inspection particularly which step SEZ is involved and which step KEBS manage, so that we can investigate how these activities are related or involved in OSS.
- Mr. Njehia commented that inspection of goods is a technical area, which needs companies with broad expertise for instance the company contracted by KEBS. Therefore, the issue of having an inspection agency at SEZ, is also technically very tricky. This is an area we need to have a deeper discussion.

(3) OSS agreement with KRA (Tax)

- Mr. Brian explained the overview of tax incentives extended to licensed SEZ entities as per respective tax laws and guidelines, and also exemptions from respective domestic laws. These fiscal incentives include import duty, domestic taxes and other exemptions supported by the SEZ Act.
 - Ms. Kaneko commented that based on the compiled list of tax incentives, it is necessary to identify the responsibilities of the OSS staff assigned by KRA. Also, the same exercise should be conducted on customs clearances. In parallel, follow-up on comment from KRA about draft MoU should also be made. (Ms. Kaneko)
- ✓ Questions and Answers about incentives given to enterprises in SEZ
- Currently for import duty, there are guidelines which have been recently gazetted, and then for the rest of the domestic taxes, SEZ takes it up to ensure that VAT is zero rated. However, SEZA only applies this only for SEZ licensed entities. (Mr. Brian)
 - ⇒ In the act, what is the requirements for document submission by enterprises? (Mr. Watanabe)
 - ⇒ Currently once the enterprises are licensed by SEZ, they are given an import export bond and this enlist them as a SEZ licensed entity under KRA iTax system, which KRA recognize the entity should receive the SEZ incentives. (Mr. Brian)
 - ⇒ In terms of this, does KRA in OSS not handle domestic tax exemption since iTax system works automatically? (Mr. Matsushima)
 - ⇒ For recent experiences for VAT, SEZA needs to see half the proforma invoice of what the company needs to be exempted; even for import, the guidelines require the entity to submit the master list, and bills of quantities to know which materials are required. Therefore, there is some work for KRA officer in OSS to do facilitation. (Mr. Njehia)

(4) Way forward

- Next weekly meeting: Wednesday, 3 March from 16:00 (Kenyan time).

End of document

Meeting Memo of Regular Meeting with SEZA for DK SEZ

Date and time	3 March 2021 10.00-11:00 Kenya ST 16:00-17:00 JST	
Venue	SEZA Board room + Remote Meeting (Zoom)	
Topics	<ol style="list-style-type: none"> 1. Recent activities until 3 March 2. Overview of KEBS (Kenya Bureau of Standards) 3. OSS agreement with KRA (Tax) 4. Way forward 	
Participants	SEZA	Mr. Njehia
	JICA Expert	Mr. Matsushima
	JICA	Mr. Watanabe, Ms. Kaneko, Ms. Konaka
	Consultant team	Ms. Karen, Mr. Brian, Mr. Kinoti

Following agenda was discussed in the meeting.

(1) Recent activities until 3 March

- Reflecting the discussion in public hearing on renewed SEZ regulation which were held on 24-26 February:
 - **[Issue related to Kenya Bureau of Standards (KEBS)]**
 Brian reported that specific comment from KEBS in regards OSS facilitation. KEBS asked what kind of role they are expected to provide when it comes to their function as an agency within Kenya. They also wanted to understand how SEZA can address issues of PVOC processing and standardization within the country. Then, SEZA assured KEBS that they are looking forward to partner with KEBS and mentioned that SEZA is currently analyzing what roles KEBS will play within SEZ.
 - **[Issue related to National Construction Authority (NCA)]**
 Ms. Kaneko shared that there was reference to the issuance of development and construction permits. NCA inquired whether SEZA, SEZ operator or NCA are responsible for this task. In her understanding, SEZ is to facilitate the issuance of development and construction permit rather than issuance itself. Hence, that kind of demarcation between OSS SEZ and the responsible organization should be be clear.
 - Mr. Brian commented that construction permits is one of the exemptions which are stipulated in SEZ Act. As for the enterprises that will undertake development in the area, SEZA has delegated the function of providing construction approvals, lease agreements to the licensed developer.

- Mr. Njehia commented that it was not very clear which organization is in charge of licensing because only OSS will facilitate and do not process any permits.
- Ms. Kaneko suggested that having meeting with these organizations and explaining outline of SEZ, purpose and function of OSS is best way to make same understanding with them.

(2) Overview of KEBS

- Mr. Brian explained about the KEBS roles and how they can be linked to the OSS within SEZ, with a focus on the service on quality assurance and inspection.

(3) OSS Agreement KRA (Tax)

- Mr. Brian gave a summary of how different incentivized taxes are treated regarding entities operating within SEZ, and also explained the exemption procedure.
- Ms. Kaneko enquired the current status of draft MoU with KRA. Then, Mr. Brian responded that there is no progress since SEZA sent the documents to board members.
- Mr. Watanabe and Ms. Kaneko proposed to invite KEBS and KRA to confirm our understanding about their expected roles and responsibilities and discuss collaboration area for OSS.

(4) Industrial Park

- Mr. Kinoti reported the progress of cost estimation. It is estimated that the discussions on the estimates will begin in the next meeting preliminary although the details will be considered after topo survey.
- Mr. Watanabe commented that the summary does not have to be detailed but rough estimation is utilized for exercises for considering land prices for promotion material.

(5) Way forward

- Next weekly meeting: To be arranged with SEZA.

End of document

Meeting Memo of Regular Meeting with SEZA for DK SEZ

Date and time	17 March 2021 10.00-11:00 Kenya ST 16:00-17:00 JST	
Venue	SEZA Board room + Remote Meeting (Zoom)	
Topics	<ol style="list-style-type: none"> 1. Recent activities until 16 March 2. SEZ Enterprise license 3. Overview of KEBS (Kenya Bureau of Standards) 4. OSS agreement with KRA (Tax) 5. Industrial Park 6. Way forward 	
Participants	SEZA	Mr. Njehia, Eng. Murimi
	JICA Expert	Mr. Matsushima
	JICA Consultant team	Mr. Watanabe, Ms. Kaneko, Dr. Meng, Ms. Konaka Ms. Karen, Mr. Brian, Mr. Kinoti

Following agenda was discussed in the meeting.

(1) Recent activities until 3 March

- Eng. Murimi reported that PS approved that the start of topo survey in DK SEZ and requested the payment of allowances for surveyors to consultant team. Then, Ms. Konaka confirmed that consultant team will send allowance of surveyor through remittance.

(2) SEZ Enterprise license

- Mr. Brian explained about SEZ enterprise which needs authorization from SEZ and its license application process and the requirements to undertake business in SEZ.

(3) Overview of KEBS

- Mr. Brian shared the result of the discussion in SEZA that there are 3 main roles of KEBS in SEZ; PVOC processing, standardization role and green channeling of SEZ destined consignments from the port to the SEZ. The SEZA team is still discussing to see which other roles can be offered.
- In the meeting, it was resulted that SEZA will invite KEBS for a thematic meeting to discuss this matter.

(4) OSS Agreement KRA (Tax)

- Mr. Brian explained the 8 tax heads incentivized by SEZ program, which are supported by the SEZ Act and respective domestic tax laws.
- Mr. Watanabe commented that the next step will be to identify when goods are imported/exported, and at which level they are considered domestic and foreign; and which tax applies for each stage.

(5) Industrial Park

- Mr. Kinoti reported the draft proposal of the implementation schedule of the IP, and also preliminary infrastructure costs.
- ✓ Question and answer about cost estimation
 - Can consultant team compile and share the costs in total, including items such as the entire approximate cost of the design, construction, planning resettlement, land; so that these can be factored into the lease price, to make business sense?
 - ⇒ Estimated resettlement cost will be shown by NLC which SEZA can get from NLC. (Mr. Matsushima)
 - ⇒ I'd like to consultant to NLC to compile what costs should be included in the costs of resettlements and survey. (Eng. Murimi)
 - ⇒ Consultant team can compile all these costs for project implementation costs, and will ask SEZA to make some input related to the cost such as resettlement costs, based on previous experiences or related other studies. (Dr. Meng)
- ✓ Question and answer about cost estimation of sewage treatment plant
 - How were the sewerage treatment plant costs calculated? (Eng. Murimi)
 - ⇒ The rate per km² for the generation of sewerage was used to calculate the total volume generated from the IP. The volume of the plant could be multiplied with a cost per m³ of waste costs known from previous projects, probably with 3,000m³ per day. Consultant Team can share the data to SEZA. (Mr. Kinoti, Dr. Meng)
 - ⇒ I will share the costs of the sewer treatment, for the ongoing Naivasha SEZ which has similar estimates for water distribution and treatment to consultant team. (Eng. Murimi)

(6) Way forward

- Next weekly meeting: Wednesday, March 31, 2021: 10:00 (Kenyan time)

End of document

Meeting Memo of Regular Meeting with SEZA for DK SEZ

Date and time	31 March 2021 10.00-11:00 Kenya ST 16:00-17:00 JST	
Venue	Remote Meeting (Zoom)	
Topics	<ol style="list-style-type: none"> 1. Recent activities until 30 March 2. OSS: Investigation of KEBS 3. OSS: Investigation of tax incentives 4. Industrial Park cost 5. Way forward 	
Participants	SEZA	Eng. Murimi
	JICA Expert	Mr. Matsushima
	JICA	Mr. Watanabe, Ms. Kaneko, Ms. Konaka
	Consultant team	Ms. Karen, Mr. Brian, Mr. Kinoti

Following agenda was discussed in the meeting.

(1) Recent activities until 30 March

- The meeting with KEBS will be held on Tuesday, the 6 April from 11.00- Kenya time/ 17.00 JST.
- Eng. Murimi informed that the topo survey team is ready to start survey. Due to the lockdown in Kenya, SEZA needs to make an application to the police for special permission to travel to Mombasa.
- Ms. Konaka confirmed that the remittance of allowance for the surveyor was already done from Nippon Koei in the last week and it takes around 3 weeks until it reaches to SEZA's bank account.
- Mr. Watanabe reported that the EAC survey team is currently preparing the questionnaire. It is expected that the survey will start from April.

(2) OSS: Investigation of KEBS

- Mr. Brian confirmed that in the meeting with KEBS, the KEBS roles in OSS which SEZA expects will be introduced and discussed.
- Ms. Kaneko added that the discussion results with KEBS will be eventually reflected into the MoU, hence we need to keep this in mind while discussing with KEBS next week.

(3) OSS: Investigation on Tax Incentives

- Mr. Brian showed two charts about (1) movement of goods, raw materials and final goods, (2) Status of the goods and implementation of taxes.

- Mr. Watanabe noted that SEZ is considered as a foreign territory, and any goods moving to Kenya or EAC are considered domestic, therefore all the taxes are applicable. We need to make it clear what is the benefit of operating in SEZ in terms of taxes, if any company imports goods to sell in Kenyan market or EAC territory, there is no incentive.
- Mr. Brian added that the pharmaceutical goods and some goods are zero rate in EAC territory in terms of the business facilitating.

✓ Questions and answers

- Not regard to pharmaceutical goods, what is the differences in the tax regimes applications within the Kenyan territory, EAC territory and SEZ territory? (Eng. Murimi)

⇒ Regarding to the import duty in SEZ and taxed ratio on the every goods, this is guided based on the Common External tariff.

For example, when you sell steel in overseas, you will benefit with tax exempt. On the other hand, when you sell it in the domestic market, you will be charged import duty and all applicable taxes. (Mr. Brian)

⇒ It is important to look not just at the benefit for the Kenyan side but also the benefit for the investor side. The operation of any investor should match the incentive provided in Kenya, but if not, what is the thing that attracts the investors? Consider what kind of attraction or value can be provided to any investor operating in SEZ.

As a next step, we need to improve this presentation material to clarify the flow of goods and stages which tax is imposed and exempted, and any special treatment for a sector/commodity. I suppose investors also will have similar questions for the operation.

When we elaborate the material, we need to discuss details with KRA. (Mr. Watanabe)

(4) Industrial Park

- In regard to the preliminary infrastructure costs, Mr. Kinoti explained briefly the revised approach that has been adopted towards compiling the costs of consultancy and design, topographic survey and relocation.
 - Land acquisition and preparatory work: updated based on the estimate of previous relocation action plans when data from the NLC (National Land Commission) is received.
 - Drainage: estimated length of drainage based on the previous plans which were made by consultant team
 - Water distribution and power distribution: current proposed land use plan will be used. Figures are based on the previous projects.
 - Telecommunication: the construction of conduits, the fiber cable will be built on necessity

will be adapted.

- Eng. Murimi added that regarding the preliminary technical study and feasibility analysis, report of Pre-feasibility Studies for Naivasha Special Economic Zone, Kisumu Special Economic Zone and Lord Egerton Agro-city will be shared by SEZA.
- Mr. Kinoti agreed that he could compile the costs by next regular meeting in response to the suggestion by Mr. Watanabe to proceed a discussion for the scheduling of cost allocation per year, before next regular meeting.

(5) Way forward

- Thematic meeting with KEBS: Tuesday, 6 April 2021 from 11:00 (Kenyan time)
- Next regular meeting with SEZA, 14 April 2021 from 10.00 (Kenyan time)

End of document

Meeting Memo of Thematic Meeting for DK SEZ

Date and time	6 April 2021 10.00-11:20 Kenya ST 16:00-17:30 JST	
Venue	Remote Meeting (Zoom)	
Topics	<ol style="list-style-type: none"> 1. Rationale of SEZ Program 2. Outline of the Current Project 3. Establishment of One Stop Shop (OSS) in SEZs 4. KEBS Collaboration in Operationalizing OSS 5. Comments and Discussion 	
Participants	SEZA	Mr. Njehia, Eng. Murimi
	KEBS	Mr. Bernard Nguyo (Acting Director, Quality Assurance & Inspection) Ms. Esther Ngari (Director, Standards Development and Trade) Mr. Peter Kaigwara (Director, Market Surveillance) Dr. Henry Rotich (Director, Metrology & Testing) Mr. Zachariah Lukorito (Chief Manager, Standards Development & Trade) Mr. Samson Butichi (Chief Manager, Planning and Strategy) Mr. Martin Masibo (Technical PA to the MD)
	JICA Consultant team	Mr. Watanabe, Ms. Kaneko, Ms. Konaka Ms. Karen, Mr. Brian, Mr. Kinoti

Following agenda was discussed in the meeting.

(1) Rationale of SEZ Program

- Mr. Watanabe briefly introduced JICA consultant team and the DK SEZ project by JICA.
- Mr. Brian explained about outline of SEZ and its flagship project under Vision 2030.

(2) Outline of the Current Project

- Mr. Brian explained through power point slides.

(3) Establishment of OSS in SEZs

- Mr. Brian explained through power point slides.
- Mr. Brian also shared that SEZA is looking to undertake agreements as MoU between the relevant

parties, that will establish OSS collaborations. Currently SEZA is working on a draft agreement with KEBS which will be shared to get comments from KEBS soon.

(4) KEBS Collaboration in Operationalizing OSS

- Mr. Brian explained the proposed KEBS roles in OSS and SEZA's proposal on the level of Authority granted to KEBS.

(5) Comments and discussion

- Mr. Njehia thanked to KEBS members to participate the meeting. He noted that KEBS is quite key in the SEZ program, and the issues of PVOC needs to be fast tracked because provision of green channel is key. We would like to receive clarification from KEBS; when we are talking about PVOC and we have an officer at OSS, how does the approval committee come in, in the facilitation of PVOC.
- Comments by Mr. Bernard Nguyo:
 - SEZA has mentioned that the key role of KEBS will be standardization and certification but there is also the aspect of standards development, meteorology, and calibration services key in industry, testing services, product certification services.
 - In terms of PVOC exemptions, we do our PVOC program in line with provisions of the law (Under Legal Notice no.78 that was gazetted in April 2020), that lays out the various ways KEBS deploys to assure the quality of imported products. We have certain exemptions that have already built into the legal notice which are exemptions for raw materials, machinery and spare parts for registered manufacturers.
 - What KEBS consider important is not just enhancing efficiency and faster movement of goods, but also how the businesses ensure the quality specifications and guarantee the quality of the final products. We find from audit that a significant number have not put controls to ensure conformity to specifications (whether raw materials or any intermediate product). Also, we'd like to seek guarantees the systems in place of the importers to ensure that they conform to specifications and requirements.
- Comments by Ms. Esther Ngari:
 - As a comment on the proposed KEBS roles in OSS, there're mix-up points on the issue of standards development and product certification, which have different processes. Also, under the SEZA proposal of level Authority granted by KEBS, the function of "ensure Kenyan Standard certification and facilitation of ISO standard certification"; we ensure that we have all the required national and international standards developed that will facilitate trade, but we need to

recognize that the certification to these standards is also a different process.

- For the standards development, we develop standards based on the request we have received, KEBS will need to receive the requests for standardization from SEZA so that KEBS can prioritize them and develop those standards
- Comments by Mr. Zachariah:
 - Regarding requests from SEZA, KEBS will be able to prioritize them and develop the standards required in those areas. In the area of facilitation, KEBS can provide the training on the application of the standards, as well as system certification.
- Comments by Dr. Henry Rotich:
 - KEBS can also provide testing services (even in MSA), metrology services where they do calibration and traceability of measurements
- Comments by Mr. Bernard Nguyo:
 - There are 3 aspects of collaboration between KEBS and SEZA:
 - i) KEBS will facilitate the development of standards in SEZ
 - ii) KEBS will be open to explore areas where they can offer training to business in terms of use of standards
 - iii) KEBS will do certifications for industries based on the requirements from the customers.
 - Product certification is also a service that KEBS can work with SEZA, and it may not require the KEBS staff to be stationed at the OSS. However, we can consider the evaluation collaboration, which entails quality products to be offloaded in Kenya or export within the EAC countries. there is a requirement that they are certified by KEBS.
 - The PVOC can also be identified as an area of collaboration with SEZA, and SEZA can guide the discussion on how to move on from this point.
- Questions and answers about MSMEs
 - We know that the center which will be established in Mombasa to support MSMEs. What kind of activities are expected in the center and is there any possible collaboration for SEZ and its center?
(Ms. Kaneko)
 - ⇒ The Biashara center in Mombasa has one stop concept for MSMEs that allows various agencies which have a role in facilitating trade or enabling manufacturing and supports MSMEs can access their services more conveniently. KEBS will create a common user facility (a room where we bring all stakeholders together and give them the infrastructure

they need for communication). For SEZ, we are looking at something broader and we need to have a discussion on the infrastructure support that SEZA would be able to accord to KEBS, for us to deploy our services in those areas. This discussion, in the long term will be more useful. (Mr. Bernard Nguyo).

⇒ In regard to the activities in the testing facilities, KEBS supports certification of products and imported goods into the country, and support quality control of private manufacturers who want to test their products. I suppose some of the activities can be required in DK SEZ as well. (Dr. Henry Rotich)

- Questions and answers about possible services provided in SEZ

- SEZ is the area which is supposed to make the businesses of enterprises easier in the area. As Mr. Nguyo mentioned infrastructures which were established in Mombasa to support MSMEs, is there any particular facilitations which KEBS require in SEZ to make the businesses of enterprises easier? (Eng. Murimi)

⇒ There may be services that may only be provided in location, for example manufacturing which may require testing and calibration, and on these areas, we can have a more detailed discussion with SEZA, to see what kind of infrastructural support KEBS will require, which will be informed by the target industries in particular sectors. (Mr. Bernard Nguyo)

⇒ As for the support of cluster development (MSMEs) by KEBS, Mr. Nguyo mentioned the importance of quality assurance for building controls, however, in SEZ, SEZA will provide all facilities to meet quality of standards in international standards. (Mr. Brian)

⇒ I meant quality assurance requested by PVOC exemption requirements. The concern is whether initial raw material which was imported is guaranteed and whether it is processed in appropriate manner. In order to ensure the quality of the materials and manufacturing processes, KEBS supports to find the location and establish the facilities. When SEZA wants to get exemption of PVOC programs, the facilitations provided by SEZA should meet the requirements.

(6) Way Forward

- The participants agreed that the further meeting with KEBS will be made to discuss details of collaboration for OSS in SEZ.

End of document

Meeting Memo of Regular Meeting with SEZA for DK SEZ

Date and time	14 April 2021 10.00-11:00 Kenya ST 16:00-17:00 JST	
Venue	Remote Meeting (Zoom)	
Topics	<ol style="list-style-type: none"> 1. Recent activities until 13 April and topographic survey 2. Recap of Inaugural Meeting with KEBS 3. Way forward 	
Participants	SEZA	Eng. Murimi, Mr. Njehia
	JICA Expert	Mr. Matsushima
	JICA Consultant team	Mr. Watanabe, Ms. Kaneko, Dr. Meng, Ms. Konaka Ms. Karen, Mr. Brian, Mr. Kinoti

Following agenda was discussed in the meeting.

(1) Recent activities until 13 April and topographic survey

- Mr. Kinoti reported the activities undertaken for the preparation of the topo survey and commence of the survey.
- Eng. Murimi mentioned 3 kinds of information to be collected as shown below (refer the e-mail message from Eng. Murimi for detail).
 - 1) The percentage of lands in both plots 250 and 251 of IP
 - ⇒ The consultant team will overlap the map with coordination and confirm the percentage and share to SEZA.
 - 2) The location of the proposed SEZA admin building on either of the two plots 250 or 251.
 - 3) Sketch of road connecting Southern Bypass and administrative block with its location related to the two plots; noting whether the road crossed any plot boundary lines.
- Mr. Kinoti noted to follow up the data collection and share the progress of topo survey to SEZA.

(2) Recap of Inaugural Meeting with KEBS

- Mr. Brian confirmed the discussion with KEBS and result of additional consultation after the meeting. Then, He proposed to conduct interview to EPZ and KenInvest.
- Ms. Kaneko commented that once interview to EPZ and KenInvest is done, the next step will be to identify any additional activity and compile this information. If necessary, we can call for a follow up meeting with KEBS to confirm the possible roles and responsibilities of KEBS as OSS in DK SEZ.
- Mr. Njehia confirmed to continue the study on KEBS role so that SEZA can consider appropriate

collaboration in immediate time, medium term and long term.

- Eng. Murimi requested Ms. Kaneko to investigate the international practices in terms of the standards introduced in OSS of SEZs in different countries.

(3) Way forward

- Next regular meeting with SEZA, 28 April 2021 from 10.00 (Kenyan time)

End of document

【E-mail message from Eng. Murimi】

- To note that the Industrial Park sits on two plots as defined by the Title Deeds. These are 250 and 251.
- To estimate in percentage terms the area occupied by the Industrial Park on each Title Deed. For example Title 250(35%) and Title 251(65%). Comment.
- On which Title Deed does the proposed SEZA Administration Building occupy? Title 250 or Title 251? Comment.
- Does the area/plot that will serve as the SEZA land in the Industrial Park occupy one Title Deed or it straddles the two Title Deeds?
- Make a sketch of the road that will connect the Bypass Road and the SEZA Administration Building and comment on its feasibility in relation to the areas occupied by the two Title Deeds.
- Make observations on the nature of the soil on which the Industrial Park is situated. Compare the same with the Geological Report that was submitted by the Materials Division of the State Department for Infrastructure. Also check the location of the Trial Pits that were sunk by the Materials Division. Are all the trial pits within the Industrial Park? Comment.
- Make sure that important features on the Industrial Park (trees, kaya, steep slopes etc) are identified and recorded. This will be important when estimating the quantities for civil works.
- The control points that were used by the Survey Team for the Access Road should be the same one used for this exercise. This will ensure there are no variances in the Survey Report for the Access Road and Survey Report that you are undertaking
- Study the Draft Landuse Plan and comment on significant items that need to be amended. For example plots near the kaya, location of roads that may lead to significant earthworks or drainage structures, plots that fall in low level points etc.

Meeting Memo of Regular Meeting with SEZA for DK SEZ

Date and time	28 April 2021 10.20-11:00 Kenya ST 16:20-17:00 JST	
Venue	Remote Meeting (Zoom)	
Topics	<ol style="list-style-type: none"> 1. Recent activities until 27 April 2. IP: Topographic survey 3. OSS: KEBS and Goods flow 4. Way forward 	
Participants	SEZA	Eng. Murimi, Mr. Njehia
	JICA Expert	Mr. Matsushima
	JICA	Mr. Watanabe, Ms. Kaneko, Dr. Meng, Ms. Konaka
	Consultant team	Ms. Karen, Mr. Brian, Mr. Kinoti

Following agenda was discussed in the meeting.

(1) Recent activities until 27 April

- Mr. Watanabe explained overview of the progress since previous regular meeting.

(2) Topographic survey

- Mr. Kinoti shared activities undertaken in the topographic survey.
- Dr. Meng mentioned that he already confirmed CAD file of the survey and it will be finalized when the boundary is fixed.
- Eng. Murimi commented about that perimeter of the IP, as SEZA would want to compare this information with the estimations done in the contract they awarded for construction of boundary wall, and the Admin block, to see if there are any variances with the actual data. Then, Mr. Kinoti answered that once survey team confirmed the boundary, JICA consultant team also share the data to SEZA.
- Mr. Njehia mentioned about the amalgamation of the title deeds of DK SEZ, KPA surveyor confirmed that the request was done to Ministry of Lands in January 2021. He will follow up with Director of planning or CS (Cabinet Secretary) of Ministry of Lands through SEZA's CS.
- Mr. Kinoti added that Mr. Mossop (KPA Surveyor) had indicated that plot numbers 247,250 and 251 are under the same survey plan; so, amalgamation will involve placing them under a common title, therefore the revision of the survey plan will be in theory; the data of the beacons will be scrapped and the rest of the extent of the boundary will remain as is.

(3) OSS: Standards in other countries

- Ms. Kaneko shared the standardization system of international and national level in Asian

countries.

(4) OSS: KEBS

- Mr. Brian reported the findings on the areas of collaboration with KEBS with the example of KenInvest and EPZA, research result on KEBS Mombasa Centre, reviewed areas of collaboration with KEBS after SEZA consultation, and also the link between DK SEZ OSS and KEBS Mombasa Centre.
- Mr. Watanabe mentioned that based on the information, JICA consultant team will draft the MoU with KEBS. Then, SEZA and JICA consultant team will have 2nd round meeting with KEBS to discuss details of collaboration field in OSS in SEZ.

(5) OSS: Goods flow

- Mr. Brian shared the updated customs flow chart of goods, status of goods and implementation of taxes.
- Mr. Watanabe mentioned that the diagram will be finalized in this stage and attached in the SOP or relevant document.

(6) Way Forward

- Next regular meeting with SEZA will be 12 May 2021 from 10.00 (Kenyan time)

Meeting Memo of Regular Meeting with SEZA for DK SEZ

Date and time	12 May 2021 10.20-11:00 Kenya ST 16:20-17:00 JST	
Venue	Remote Meeting (Zoom)	
Topics	<ol style="list-style-type: none"> 1. Recent activities until 11 May 2. OSS: KEBS (Draft MoU) 3. IP: Updated land use & Infrastructure development plans 4. Way forward 	
Participants	SEZA	Eng. Murimi, Mr. Njehia
	JICA Expert	Mr. Matsushima
	JICA	Mr. Watanabe, Ms. Kaneko, Dr. Meng, Ms. Konaka
	Consultant team	Ms. Karen, Mr. Brian, Mr. Kinoti

Following agenda was discussed in the meeting.

(1) Recent activities until 11 May

- Mr. Watanabe explained overview of the progress since previous regular meeting.

(2) OSS: KEBS

- Mr. Brian reported the progress of review of KEBS roles in OSS, draft MoU between SEZA and KEBS.
- Mr. Njehia commented on PVOC exemption in SEZ, particularly for construction material. KEBS needs to advise SEZA at what point quality standard controls on those materials will be ensured. Also, supposing SEZ is allowed to import material without inspection, if the materials have not met quality standards, whether they are denied entry to domestic market. We need to discuss with KEBS on the consequences.
- Mr. Watanabe noted that in addition to MoU mentioning general conditions, we need an attachment explaining conditions for specific products, for instance pharmaceutical goods, and also the consequence of the result needs to be discussed and agreed with KEBS.
- Ms. Kaneko added that it is necessary to discuss with KEBS regarding inspection to clarify any demarcations between KEBS and KRA's Customs Department, as KRA may also do some physical inspections in regard to taxes. As case studies of the Asia countries on standards shown during the last regular meeting, Cambodia abolished physical inspections by one of the organizations because of the duplicated process. KEBS is expected to explain how they are conducting physical inspection for the imported goods, and if there is any

collaboration with other organizations.

(3) IP: updating

- Mr. Kinoti explained that the team had received the final topo survey data in soft copy from the SOK (Survey of Kenya), and invited Dr. Meng to share updates on the infrastructure development plans.
- Dr. Meng shared the updated land use plan with topo data. He explained the height differences (around 20m) between the contours and the proposed grading to make the land relatively flat for the construction of factories etc. In addition, he explained that fixed elevation from the ramp of the interchange, and this has to match to the grading plan.
- Dr. Meng mentioned that the land use plan will be improved to exclude kaya which were newly identified in the topo survey. Then, lands in the edge of the boarder of IP will be changed to green area due to the slope of the edge. For soil balance, issued is extra soil obtained from the land grading, so SEZA needs to consider keeping them inside SEZ for cost efficiency. He will show the ideas of cut and fill and measures to manage the extra soil.
- Besides that, Dr. Meng shared explained the drainage plan with reference to the topographical survey, land grading plan and the streams as mapped from the SEZ master plan.
- ✓ Question and Answer about boundary of IP
 - The boundary of IP is one of the issues for land use. Do we need fence in the slope or change the boundary along the counter line? (Eng. Murimi)
 - ⇒ SEZA and Survey team will do ground confirmation for the boundary fix. (Mr. Kinoti)
- Regarding the substation, Mr. Kinoti shared that KETRACO have proposed to relocate the substation from where it was originally which is Option 2 (ref. diagram), as this section is unsuitable because of the general layout of the plot. It is important that SEZA have a discussion on the implications of giving them the area they are now proposing (Option 1). Mr. Kinoti explained the criteria used by KETRACO in selecting substation location.
- There will be meeting today between SEZA and KETRACO on this.
- Eng. Murimi added that the issues of amalgamation of title deeds and also Relocation Action Plan (RAP) is now very key and SEZA need to move very fast.

(4) Way Forward

- Thematic meeting with KEBS, May 19, 2021: 11.00(Kenyan time) via zoom
- Meeting with KETRACO to review S/S location May 12, 2pm Kenya time via zoom
- Next regular meeting with SEZA, May 26, 2021: 10.00 (Kenyan time) via zoom.

Meeting Memo of Regular Meeting with SEZA for DK SEZ

Date and time	2 June 2021 10.00-11:00 Kenya ST 16:00-17:00 JST	
Venue	Remote Meeting (Zoom)	
Topics	<ol style="list-style-type: none"> 1. Recent activities until 1 June 2. OSS: Recap of KEBS Thematic Meeting and Draft MoU 3. OSS: KRA Inspection of Consignments 4. IP: Updating land use & Infrastructure development plans 5. KETRACO substation 6. Report of the site visit to Mwea and Olkaria 7. Way forward 	
Participants	SEZA	Eng. Murimi
	JICA Expert	Mr. Matsushima
	JICA Consultant team	Mr. Watanabe, Ms. Kaneko, Dr. Meng, Ms. Konaka Ms. Karen, Mr. Brian, Mr. Kinoti

Following agenda was discussed in the meeting.

(1) Recent activities until 11 May

- Mr. Watanabe explained overview of the progress since previous meeting.

(2) OSS: Recap of KEBS Thematic Meeting and Draft MoU

- Mr. Brian reported the recap of thematic meeting, the way forward with KEBS collaboration, and draft MoU between SEZA and KEBS.

(3) OSS: KRA Inspection of Consignments

- Mr. Brian explained the KRA customs inspection process of consignments, for exporting and importing.
- Ms. Kaneko mentioned that regarding to inspection process of port of entry, there are a number of processes and documents that KRA requires to investors with the purpose of taxation, and if KEBS also requires additional process for some documents, this might be burden for the investors. We need to follow up to clarify whether there is any co-ordination framework for physical inspections under relevant authorities besides KRA and KEBS.

(4) IP: Updating land use & Infrastructure development plans

- Mr. Kinoti and Dr. Meng explained updated land grading plan and shared the issue on the IP boundary which is in the extreme existing slope. In order to retain the original planned

factory lot area, he proposed that some land cut/fill slope can be planned at outside of current boundary.

- Upon the agreement by Eng. Murimi to revise the IP boundary a few meters, Dr. Meng requested clarification on whether to revise the boundary for approval purposes. In response, Eng. Murimi indicated that minor revisions to the boundary line were acceptable and would be submitted during the approval process of the detailed plan, as an update of the approved masterplan.
- As a response to the inquire from Eng. Murimi for the next step work, Mr. Kinoti informed that we will restate the area of the IP land which will be able to reserve, and to issue the earth work quantities that we need to work from the land grading plan, with the attempt to put the slope outside of the IP.

(5) KETRACO substation

- Mr. Kinoti explained about KETRACO substation options. There were discussions on the most ideal plots for planning and SEZA use and the value of the land SEZA would release to KETRACO. SEZA settled to give KETRACO the Option 5 (refer to the slide 4.6) of 6 acres which occupies a portion of this plot.
- Mr. Watanabe noted that he is also sharing this information with consultant team of Yen loan project and requested Mr. Kinoti to share any updates on this issue.

✓ Question and Answer

- It will be best to share SEZA proposal with KETRACO before the joint visit to DK SEZ. (Mr. Matsushima)
 - ⇒ Noted. I would like to request Mr. Kinoti to prepare a letter to KETRACO which mentions the proposal by SEZA on the Option 5. (Eng. Murimi)
 - ⇒ Noted. (Mr. Kinoti)

(6) Report of site visit to Mwea and Olkaria

- Mr. Watanabe reported the site visit to Mwea Irrigation Project and Olkaria Geothermal Power Project with presentation material. The objective of this visit was to understand how the resettlement and compensation issues were treated for resettlement in DK SEZ. The details were explained with the presentation material.
- Mr. Watanabe also added that on 4 June, the JICA consultant teams (Grant Team and TA Team) and JICA HQ will discuss how to manage this matter so that this land issue can be solved.

✓ Question and Answer

- In case of the resettlement in DK SEZ, the residential area is highlighted in yellow in the land use map of Master Plan of DK SEZ and those places are designated for resettlements, though this area may not be enough as resettlement site. Firstly we need to identify the area how it can be developed as resettlement area, and does the development of infrastructures such as roads, schools and hospital will be accompanied? (Eng. Murimi)
 - ⇒ The yellow area was designated for resettlement site in the initial plan but there are currently estimated 500 households in DK SEZ and the area is not enough to accommodate. We need to identify the area where will be used for development. The facilities in the resettlement site will be developed but details are to be negotiated with people. Still, JICA discusses who and how it will be done. (Mr. Watanabe)
- Even for the people who don't hold land title, how the compensation can be considered? (Eng. Murimi)
 - ⇒ We need to reconfirm what's the condition in the law, and this too needs to be integrated when we talk about resettlement. (Mr. Watanabe)
 - ⇒ In regard to developing the residential area for the settlers, the budget from part of Yen Loan will be disbursed to KPA. However, this amount can only be utilized for the facilities in the residential area, and the houses itself are not included in the Yen Loan budget. The housing portion will be covered by KPA, which requires the authorization at cabinet level. (Mr. Matsushima)

(7) Way Forward

- Next regular meeting with SEZA, June 16, 2021: 10.00 (Kenyan time) via zoom.

Meeting Memo of Regular Meeting with SEZA for DK SEZ

Date and time	16 June 2021 10:00-11:00 Kenya ST 16:00-17:00 JST	
Venue	SEZA Board room and Remote (Zoom)	
Topics	<ol style="list-style-type: none"> 1. Recent activities until 15 June 2. OSS progress update: KEBS collaboration 3. IP progress update 4. Schedule of Consultant Team in July (Field Work) 5. Way forward 	
Participants	SEZA	Mr. Njehia
	JICA Expert	Mr. Matsushima
	JICA Consultant team	Mr. Watanabe, Ms. Kaneko, Dr. Meng Ms. Karen, Mr. Brian, Mr. Kinoti

Following agenda was discussed in the meeting.

(1) Recent activities until 15 June

- Mr. Watanabe explained overview of the progress since previous meeting.

(2) OSS: Recap of KEBS Thematic Meeting and Draft MoU

- Mr. Brian reported (i) the status of KEBS Draft MoU and (ii) progress on port inspection research.

(i) Status of KEBS Draft MoU

- Ms. Kaneko presented the reviewed draft comments and counter comments.
- The issue of KEBS specifying the timeframe of the MoU to 5 years was discussed. Based on the discussion with consultant team and Mr. Njehia, it was concluded that Mr. Brian will confirm with KEBS the particular intention of the duration.

(ii) Progress on port inspection research

- Mr. Brian reported the progress work on the research being done at Mombasa Port, specifically on the port inspection activity. It is focused on agencies which are based in the port and protocols guide for inspection at point of entry. The consultant team has received relevant documents which are under review, so the study result will be updated next week.

(3) IP progress update

- Mr. Kinoti gave a recap on ongoing tasks which include revisions to the infrastructure plans and the land use plans. The consultant team is currently updating the information on the boundary options, and also computing and comparing the quantities on the land preparation works with the revisions to the boundaries.

- Regarding the KETRACO substation, SEZA will forward the letter with information on proposed substation location to KETRACO, and also follow up to provide the final location within the IP.
- Regarding the KPA& JICA discussion on options for implementing RAP, the process is ongoing to prepare proposals, for possible resettlement locations and also legal justification, between the consultant team and KPA.

(4) Schedule of Consultant Team in July (Field Work)

- Mr. Watanabe reported that the schedule for consultant team for July has changed, as JICA advised that the team will first have vaccination of COVID-19.
- Mr. Watanabe also advised that there is a tentative plan to visit Mombasa County Government and have talks with them particularly reporting progress of IP planning, and also have a site visit to DK SEZ, maybe end of July or in August. The timing of Mombasa County Government visit will be confirmed with SEZA.
- Mr. Watanabe also noted that the consultant team will start planning promotional material, and we can work together with SEZA as they are also planning preparation of their promotional material. This will start as soon as our plan for IP is finalized.
- Mr. Watanabe also informed the participants that next week the consultant team will report the progress to JICA

(5) Way Forward

- Next regular meeting with SEZA, June 30, 2021 from 10.00 (Kenyan time) via zoom.

Meeting Memo of Regular Meeting with SEZA for DK SEZ

Date and time	14 July 2021 10.00-11:00 Kenya ST 16:00-17:00 JST	
Venue	SEZA Board room and Remote (Zoom)	
Topics	<ol style="list-style-type: none"> 1. Recent activities until 15 June 2. OSS: progress and way forward 3. IP progress update 4. Promotional Material 5. Way forward 	
Participants	SEZA	Mr. Njehia, Eng. Murimi
	JICA Expert	Mr. Matsushima
	JICA Consultant team	Mr. Watanabe, Ms. Kaneko, Dr. Meng, Ms. Konaka Ms. Karen, Mr. Brian, Mr. Kinoti

Following agenda was discussed in the meeting.

(1) Recent activities until 14 July

- Mr. Watanabe explained overview of the progress since previous meeting.

(2) OSS: progress and way forward

- Ms. Kaneko shared the progress and further activities on OSS until the end of the project. Then, she shared the draft table of SOP.
- Mr. Watanabe noted that we will start preparing and compiling related documents, which can be referred for SEZA operations in OSS. This discussion will be continued in regular meeting to confirm the contents and how to present it.
- Mr. Njehia noted the table of contents of SOP. He remarked that the SOP has broader definition and it is better to show the general overview in the introduction. Ms. Kaneko noted comments from Mr. Njehia and will focus on the SOP of SEZs in Kenya.
- As for the current status of application forms of SEZA, Mr. Njehia mentioned that the application forms including business service permit is under the preparation for amendment.

(3) IP progress update

- Dr. Meng explained updates on the substation location and indicated that there was an update to shift the road adjacent to the power station. This update is due to the Kaya shrine identified in the Southern end of the IP. Similarly, new information had been received from the team designing the access road and ramp, with a more compact ramp to allocate additional land for factory use.

- Mr. Kinoti explained that the KETRACO substation location had been agreed upon between SEZA and KETRACO in the current status.
- Dr. Meng indicated that the update includes a parking section made for trucks and other vehicles adjacent to the administration and commercial area. Updates were also made to the gates, to reflect the changes in road design. There are 4 gates to access the IP. For operation and administration, the usage of the gates would have to be discussed during management.
- Dr. Meng also shared the progress of generating quantities and updating project implementation costs. He explained the revision of earthworks to reduce the cost by limiting the amount of soil to be cut. There are still items to be confirmed, and included with support from Mr. Kinoti and Eng. Murimi.
- ✓ Question and Answer
 - Asked clarification on the method used to generate the earthworks quantities, and if it were possible to reduce these volumes and their cost. (Eng. Murimi)
 - ⇒ Dr. Meng explained that the design had been revised to reduce these costs, such that the level difference between the ramp and the IP land reduced, while still ensuring all design elevations match between the IP, the sewerage treatment project and the road project. A new land grading plan was proposed in this regard. (Dr. Meng)

(4) Promotional Material

- Ms. Konaka shared the draft schedule of promotional material of DK SEZ. Then, asked comments from SEZA, for the initial steps, which are clarifying the objective and target of the brochure, and items to be published in the brochure.
- Ms. Konaka added that she will share the same information to Ms. Edith (SEZA) and ask her comments.
- ✓ Question and Answer
 - Any possibility to make the audio-based (video) promotional material? (Eng. Murimi)
 - ⇒ JICA consultant team is allowed to make only brochure material and no budget is allocated for video materials. (Ms. Konaka)
 - ⇒ If necessary, after the completion of the consultant team's project, JICA Expert (Mr. Matsushima himself) can consider additional support for the audio promotional material for SEZA. (Mr. Matsushim)

(5) Way Forward

- Next regular meeting with SEZA, July 28, 2021 from 10.00 (Kenyan time) via zoom.

Meeting Memo of Regular Meeting with SEZA for DK SEZ

Date and time	28 July 2021 10.00-11:00 Kenya ST 16:00-17:00 JST	
Venue	SEZA Board room and Remote (Zoom)	
Topics	<ol style="list-style-type: none"> 1. Recent activities until 27 July 2. OSS: Clearance of Cargo, follow-up on work permit and EIA review 3. IP: Progress update 4. Way forward 	
Participants	SEZA	Mr. Gitau
	JICA Expert	Mr. Matsushima
	JICA Consultant team	Mr. Watanabe, Ms. Kaneko, Dr. Meng, Ms. Konaka Ms. Karen, Mr. Brian, Mr. Kinoti

Following agenda was discussed in the meeting.

(1) Recent activities until 27 July

- Mr. Watanabe explained overview of the progress since previous meeting. In regard to the EAC SEZ survey, there has been some challenges in data collection because some of the information is not enough such as company activity, which can be utilized for drafting SEZ policies. On promotional material, Japanese experts and Mr. Matsushima had a meeting with Ms. Edith (SEZA) and agreed to co-operate in preparing promotional material.

(2) OSS: Clearance of Cargo, follow-up on work permit and EIA review

- Mr. Brian gave a presentation on clearance of cargo on inspection process and verification and the tax verification process by KRA.
 - Ms. Kaneko noted that based on this information, table or chart will be made for SOP. With regard to follow up with KRA, it is very crucial to get the operational manuals and guidelines in terms of the customs clearances processes to have a better understanding of the detailed processes and procedures of each step.
 - Mr. Watanabe mentioned that the format should be developed to make SOP, then flow chart showing the processes, and tables will be included into the format file. Mr. Watanabe and Mr. Brian will have meeting on this matter. Ms. Kaneko agreed to the idea and shared that the tables and formats of draft SOP file, especially 1st chapter of the company registration can be utilized for writing the chapters after that.
- ✓ Question and Answer about KEBS documents
- Does SEZA need to take any action to proceed the receive information of “timelines and procedures for clearance of cargo” in relation to inspection process by KEBS? (Mr.

Matsushima)

⇒ SEZA will send request letter to KEBS and seek consultation with KEBS. (Mr. Brian)

(3) IP progress update

- Mr. Kinoti shared update on IP plan and related work:
 - Eng. Murimi agreed quantities and cost estimates of earthwork which formulated based on the initial presentation,
 - KETRACO plans to conduct a site visit with representation from SEZA, but this has been pushed to tentatively next week,
 - the updated drawings for the land use and infrastructure development will be shared in the next regular meeting.

(4) Way Forward

- For the promotional material, Ms. Konaka is working to collect the images and layout. The update will be shared in the next meeting.
- Ms. Konaka reported that she will visit Kenya from August 13 and she'd like to receive consensus with SEZA to visit Mombasa County Government to have progress sharing during her visit.
- Mr. Watanabe remarked that we need to start arranging for the meeting with Mombasa County Government (tentatively 13th August) if not, the following week. He noted that KPA may also join, and the venue will be confirmed, though online meeting is also available depending on the COVID-19 situation.
- Mr. Gitau reported that he is waiting for some draft programme from the customs officer at Tatu city on the proposed SOP, which SEZA is working together and he will inform the team as soon as they finalize on the date.
- Mr. Gitau also noted that whenever the team is ready to visit Tatu City, this can be organised, which Mr. Watanabe noted that this can be arranged when Ms. Konaka is in Kenya.

- Candidate date for next regular meeting with SEZA: August 11, 2021 from 10.00 (Kenyan time) via zoom.

End of document

Meeting Memo of Regular Meeting with SEZA for DK SEZ

Date and time	13 August 2021 10:00-11:00 Kenya ST 16:00-17:00 JST	
Venue	SEZA Board room and Remote (Zoom)	
Topics	<ol style="list-style-type: none"> 1. Recent activities until 12 August 2. OSS: follow up on SOP 3. IP: update of IP plan 4. Promotional material 5. Way forward 	
Participants	SEZA	Ms. Edith
	JICA Expert	Mr. Matsushima
	JICA Consultant team	Mr. Watanabe, Ms. Kaneko, Dr. Meng, Ms. Konaka Ms. Karen, Mr. Brian, Mr. Kinoti

Following agenda was discussed in the meeting.

(1) Recent activities until 12 August

- Mr. Watanabe explained overview of the progress since previous meeting. In regard to the EAC SEZ survey, there has been some challenges on the responses in the questionnaire and the survey team will send questionnaire again with items that will help in proposing draft SEZ policies.
- Plans to have meeting with Mombasa County Government have been deferred, and will be discussed again next week with SEZA.

(2) OSS: follow up on SOP

- Mr. Brian reported that he has updated the fiscal incentives by adding the legal supporting documents and also shared the status on follow-up on timelines and procedures for clearance of cargo.
- Mr. Brian also explained the work permit approval and issuance role of Immigration, and noted that he is still following up with NEMA with regard to Environmental Impact Assessment (EIA) and Environmental and Social Impact Assessment (ESIA) applications

(3) IP: update of IP plan

- Dr. Meng outlined the updated on following:
 - Land use and infrastructure. These updates included the interchange ramp, the new KETRACO substation location, factory lot and addition of a parking lot near the administration area, as requested by SEZA.
 - Cut-fill volumes for earthworks to indicate the land grading works; an update to the land area

and slope due to revision of the interchange design between the Mombasa Southern Bypass and the Port Access Road. In addition, the water distribution center design has been updated based on the allocation of land within the interchange clover.

- Infrastructure design for drainage, water supply, sewerage plans and the power distribution plan within the IP based on the new location of the power substation; as well as the telecom network plans for the ducts for fiber optics have been updated to match the road plan and land use plans to ensure connectivity.

- Regarding the enquire by Mr. Matsushima if we need a garbage collection facility for the collection site, Dr. Meng mentioned that normally for other IPs, the tenants contact city services or garbage collection companies to collect the industrial waste from each company directly and discharge to the county approved garbage points.

(4) Promotional material

- Ms. Konaka shared the progress of draft contents and its layout. She shared that of introductory part about message by CEO, DK SEZ and IP zone outline, and advantages of investing in DK SEZ.
- Ms. Edith added comments on advantage to invest in Kenya' that availability of skilled labour force should have more statistical numbers.
- Mr. Watanabe shared the map and timeline of planned infrastructures in DK SEZ which made by Mr. Kinoti to visualize the timeframe of IP development and others. Although the publication of those items are to be discussed with stakeholders, he mentioned that those information is kept as internal use.

(5) Way forward

- Candidate date for next regular meeting with SEZA: August 25, 2021 from 10.00 (Kenyan time) via zoom.

End of document

Meeting Memo of Regular Meeting with SEZA for DK SEZ

Date and time	25 August 2021 10:00-11:00 Kenya ST 16:00-17:00 JST	
Venue	SEZA Board room and Remote (Zoom)	
Topics	<ol style="list-style-type: none"> 1. Recent activities until 24 August 2. Meeting with Mombasa County Government 3. OSS: SOP update 4. Promotional material 5. Way forward 	
Participants	SEZA	Mr. Njehia
	JICA Expert	Mr. Matsushima
	JICA Consultant team	Mr. Watanabe, Ms. Kaneko, Dr. Meng, Ms. Konaka Ms. Karen, Mr. Brian, Mr. Kinoti

Following agenda was discussed in the meeting.

(1) Recent activities until 12 August

- Mr. Watanabe explained overview of the progress since previous meeting.

(2) Meeting with Mombasa County Government

- Ms. Konaka shared the material on OSS part.
- Mr. Kinoti shared the material on IP part, which includes the basic updates with the infrastructure planning done and management for water, wastewater management and handling garbage collection within the IP.
- Mr. Njehia noted that in regard to water distribution, SEZA needs to be clear how the water company contributes for distribution and disposal in DK SEZ, since there was similar discussion in Naivasha case.
- As per question about 55 ton/day for solid waste demand, Mr. Kinoti replied that it is maximum volume in full operation. On this matter, Mr. Watanabe added that the target year for full operation should be discussed for further financial analysis.

✓ Question and answer for solid waste management

- It is necessary to confirm how EPZA treats the costing of garbage collection and the entity who collect the garbage charges to the industries. (Mr. Njehia)

⇒ The consultant team noted to pursue the information in regard to the management. The support from Mr. Njehia was requested to receive the documents from EPZA. (Mr. Kinoti)

⇒ It is expected that Mombasa County Government is not in charge of collecting garbage. More important points is that we show the amount of garbage for management of them.
(Dr. Meng)

✓ Question and Answer for water and sewerage issues

- Mr. Njehia noted that SEZA needs to think wider than DK SEZ because the waste disposal may not cover the SEZ alone, but also the surrounding areas. The planning of sewer disposal should go beyond the SEZ and be discussed if the Mombasa County agrees for collaboration to accommodate the area outside the SEZ. (Mr. Njehia)

⇒ Mr. Watanabe noted that the water supply will be developed by the Grant Aid project, and this water is for entire SEZ, so the water will go to free port and IP Zone. Therefore, the management method should be considered.

(3) OSS: SOP Update

- Mr. Brian gave an update on the compilation of SOP. He also gave the status on compilation of SOP in specific chapters which include the Visa/work permit and for SEZ Tax Framework.
- Mr. Watanabe noted that the consultant team starts compiling this information in a file, since all the contents have already been prepared in a format, to know which parts are completed and what is still pending.

(4) Promotional material

- Ms. Konaka shared the progress on preparation of promotional material and outcome of sectoral meeting with Ms. Edith and Mr. Matsushima. She is currently finalizing on the draft layout and contents. Also, together with Mr. Kinoti, they are checking for suitable design company to make 3D images and brochure.

(5) Way forward

- Mr. Watanabe shared the proposal to have sectoral meetings to discuss SOP, IP, and Promotional material separately.
- It was agreed that Mr. Njehia will be in charge of IP discussion, in the absence of Eng. Murimi.
- Next regular meeting with SEZA: Wednesday, September 8, 2021: 10.00 (Kenyan time) via zoom.
- Thematic meeting with Mombasa County Government: Monday, August 30, 2021: 12.00(Kenyan time) via zoom.

End of document

Meeting Memo of Regular Meeting with SEZA for DK SEZ

Date and time	9 September 2021 9.30-11:00 Kenya ST 15:30-17:00 JST	
Venue	SEZA Board room and Remote (Zoom)	
Topics	<ol style="list-style-type: none"> 1. Recent activities until 24 August 2. IP: Operation and Management 3. Reflection of the meeting with Mombasa County Government 4. OSS: SOP update 5. Promotional material 6. Way forward 	
Participants	SEZA	Mr. Njehia
	JICA Expert	Mr. Matsushima
	JICA	Mr. Watanabe, Ms. Kaneko, Dr. Meng, Ms. Konaka
	Consultant team	Ms. Karen, Mr. Brian, Mr. Kinoti

Following agenda was discussed in the meeting.

(1) Recent activities until 8 September

- Mr. Watanabe explained overview of the progress since previous meeting.

(2) IP: Operation and management

- Dr. Meng shared information of O&M SEZ with example of Thang Long IPs (Vietnam), MM2100 IP and Long Duc IP (Indonesia).
- Mr. Njehia commented in terms of infrastructure and utility management by SEZA; the feasibility study is necessary and that will depend on the resources available and support SEZA receives from other partners.
- Mr. Watanabe noted that it will be a good idea to mention the types of services on SOP. For example, training of staff, tenant meeting monthly (which happens to SEZ managed by private sector).
- Mr. Kinoti was tasked to list up a menu showing all the services.

(3) Reflection of the meeting with Mombasa County Government

- Mr. Watanabe remarked that in the thematic meeting last week, Mombasa County Government proposed to establish some committee for IP development and operation between SEZA and CGM. He emphasized the importance to make sure the functions of the committee before and also what legal basis we use to establish this committee. Probably MoU or minutes signed by CGM and SEZA is necessary.

- Mr. Njehia added that SEZA need to discuss the need and the timing of this committee because we need to be clear on its scope and carefully check on the areas which the County Government will come in.
- Mr. Kinoti and Mr. Brian will start structuring one page outline showing our idea of committee; and consult to consultant team and SEZA.
- Ms. Konaka informed Mr. Njehia and Mr. Matsushima that the draft meeting minutes of last TM have been shared on email for their review. Signature from representative of SEZA and CGM will be included so that the minutes can be used as an official document.

(4) OSS: SOP Update

- Mr. Brian gave an update of the ongoing progress of compilation of information on five Chapters through power point slides.
- Upon inquiry on the scope of the SOP from Mr. Njehia, Ms. Kaneko noted that the document focuses on DK SEZ, because each SEZ has its own uniqueness in terms of operating the SEZ, and it is not sure whether this document could be applied to other SEZ. However, we can discuss with SEZA the positioning of this document, in the sectoral meeting. Also, she added that SOP in Chapters 3-7, can be applied to other SEZs as this is very general, but the first two chapters may vary from one SEZ to another. But most of SOP is general information.

(5) Promotional material

- Ms. Konaka shared progress on preparation of promotional material and noted that she will share the details with team members including Mr. Njehia and Ms. Edith for their review.
- ✓ Discussion on the data comparison in EAC countries
- Mr. Njehia remarked that the areas of water, power and business environment in EAC countries, from the presentation, requires more studies. For example, if we compare power only at cost level, we miss other parameters such as the availability of power, connection time, cost of connection and the power stability. The same applies to water and its availability in DK SEZ when the investor is setting up. He proposed that the consultant team work together with SEZA to check for data on other parameters than costs, that relate to the business environment.
 - ⇒ The parameter here is not the cost but the ratio which is showing the capacity of Kenya to provide such services. (Mr. Matsushima)
 - ⇒ The consultant team is not planning to make detailed survey in this project, however, if there is available data compiled from the Ministry, the team can utilize. (Ms. Konaka)
 - ⇒ Mr. Njehia added that it is important that when we are giving data on the business environment, to show the investor the frequently asked questions in questionnaires for

investors. (Mr. Njehia)

⇒ We will discuss more in detail and see what information is available and useful for the investor, in sectoral or technical meeting. (Mr. Watanabe)

✓ Other comments on the input of the information on the promotional material

- To add the information of logistics page: connection from DK to other EAC capital cities like Kampala, Kigali, Bujumbura and Dare salaam. (Mr. Matsushima)
- To add the information of logistics page: illustration how DK SEZ is connected to the rest of flagship SEZs and core transport links like Embakasi Inland Container Depot (ICD) and Naivasha ICD to facilitate transshipment, via SGR and the trading route via Meter Gauge Railway (MGR) from Naivasha SEZ leading into the regional EA region in order to facilitate trade within Kenya and East Africa partner states. (Mr. Brian)
- To add pages on the living conditions in Mombasa: for expatriates if they would like to stay in Mombasa, like recreation, higher quality residential areas, variety of entertainment, accessibility to goods and services (Mr. Matsushima)
- To add information on FDI in EAC countries (Mr. Naseem)

(6) Way forward

- Next regular meeting with SEZA: Wednesday, September 22, 2021: 10.00 (Kenyan time)/16.00 (Japan time) via zoom. (Tentative)

End of document

Meeting Memo of Regular Meeting with SEZA for DK SEZ

Date and time	22 September 2021 10.00-11:00 Kenya ST 16:00-17:00 JST	
Venue	SEZA Board room and Remote (Zoom)	
Topics	<ol style="list-style-type: none"> 1. Recent activities until 21 September 2. OSS: SOP update 3. IP: Compilation of IP Technical Committee 4. Promotional material 5. Way forward 	
Participants	SEZA	Mr. Njehia
	JICA Expert	Mr. Matsushima
	JICA Consultant team	Mr. Watanabe, Ms. Kaneko, Dr. Meng, Ms. Konaka Ms. Karen, Mr. Brian, Mr. Kinoti

Following agenda was discussed in the meeting.

(1) Recent activities until 21 September

- Mr. Watanabe explained overview of the progress since previous meeting.

(2) OSS: SOP update

- Mr. Brian gave an update on the compilation of SOP highlighting the changes done on the SEZ Tax Framework and environmental permits.
- Ms. Kaneko remarked that she is currently working on the first two chapters for basic definitions of OSS in DK SEZ, OSS functions and the phased stages for establishment of OSS. Once draft document is ready, JICA consultant team will discuss with SEZA for their review.

(3) IP: Compilation of IP Technical Committee

- Mr. Kinoti explained the basic concept of the technical committee and also the structure.
- ✓ Questions and comments about the IP Technical Committee between SEZA and Mombasa County Government
 - SEZA needs to improve this document and also consult with the CEO, SEZA before finalization. (Mr. Njehia)
 - Making agreement and signature as MoU between SEZA and MSA County might not be the right time before an election next year. The minutes of previous thematic meeting already shows the intention of establishment of technical committee and that's enough between SEZA and Mombasa County Government, at this stage. My proposal is for Mr. Njehia to discuss the role of County Government and its involvement, and see

how we can make this document to be favorable to SEZA. (Mr. Matsushima)

- ⇒ Mr. Njehia noted that we can have the first meeting with County Government, to see what they need from us, and also explain what we need from them. Then, it will be clear whether we need an MoU or not. (Mr. Njehia)
- ⇒ There should be a form of record, even not necessarily MoU, which saying that County Government will work together with SEZA, for development of IP. We still need to examine which form is ideal for DK-SEZ and also scope of this agreement. Also, we can focus activity specific to water supply, solid waste; then next stage we can have a different form of agreement. (Mr. Watanabe)
- ⇒ It is proposed that the next step will be to have a physical inception meeting with County Government. (Mr. Njehia)

(4) Promotional Material

- Ms. Konaka shared update of layout and contents of promotional material based on the last regular meeting discussion.
- Mr. Njehia remarked that there could be some changes in some figures, by December. For instance, the line connecting Naivasha to the MGR going to Kisumu or Eldoret (the route from Naivasha connecting the old line at Longonot) is scheduled to be ready this month. This route will now connect DK SEZ to SEZ in Eldoret. Also, SEZA has approval to gazette 7 SEZs before December, so the number of SEZs may also change.
- Mr. Watanabe noted that if there is any change by the time we publish the promotional material, we will update the information.

✓ Discussion on the lifestyle and costs in Mombasa

- Mr. Njehia also commented on the data provided on Mombasa lifestyle, noting that the data may not represent the actual costs and what is generally available.
- ⇒ The costs are to be crosschecked since most of data are quoted from the survey data from international website. (Ms. Konaka)
- ⇒ Regarding to the education, it is not necessary to write down the specific school names but maybe number of international schools; universities/polytechnics. (Mr. Matsushima)
- ⇒ We may ask about living conditions in Mombasa County government, during next thematic meeting. However we need some justification on secondary data so that we do not mislead the investor by providing inaccurate information, particularly in the living condition of MSA residents, and expatriates may be different. (Mr. Watanabe)

(5) Way forward

- Next regular meeting with SEZA: Wednesday, October 6, 2021: 10.00 (Kenyan time)/16.00 (Japan time) via zoom. (Tentative)

End of document

Meeting Memo of Regular Meeting with SEZA for DK SEZ

Date and time	6 October 2021 10:00-11:00 Kenya ST 16:00-17:00 JST	
Venue	SEZA Board room and Remote (Zoom)	
Topics	<ol style="list-style-type: none"> 1. Recent activities until 5 October 2. OSS: SOP update 3. Promotional material 4. Way forward 	
Participants	SEZA	Mr. Njehia
	JICA	Mr. Watanabe, Ms. Kaneko, Dr. Meng, Ms. Konaka
	Consultant team	Ms. Karen, Mr. Brian, Mr. Kinoti

Following agenda was discussed in the meeting.

(1) Recent activities until 5 October

- Mr. Watanabe explained overview of the progress since previous meeting.
- In regard to IP technical committee, it was agreed between Mr. Njehia and consultant team that it may not be necessary to form a committee, but SEZA and JICA consultant team need to keep in touch with Mombasa County Government.

(2) OSS: SOP update

- Mr. Brian presented the updated SOP document and explained the updated areas. He noted that he is still working on the cargo clearance process and collecting additional data to ensure that we have a draft to be presented during the sectoral meeting with SEZA.
- Mr. Brian reported that the information currently lacking is on cargo clearance and the challenge is collecting the process flows, SOPs and manuals set by KRA. Then, Mr. Watanabe noted to discuss with Mr. Brian how to move forward next week.

(3) Promotional material

- Ms. Konaka reported the progress on PM, sharing the progress for 3D images for DK SEZ and IP. Then, she requested Mr. Njehia to confirm the draft from design of 3D buildings to get internal confirmation within SEZA.
- In regard to the 3D images making, Mr. Kinoti noted that we have already shared the base maps to Creo Media, and once we receive the draft, team members can forward any comments to Ms. Konaka or him, then they will liaise with the design team.

✓ Discussion on the data of Mombasa lifestyle and costs

- Costs of Mombasa lifestyle can be confirmed by Mombasa County Government, as they are very tricky as cost varies depending on the area and living conditions. I propose to identify major areas which foreigners live, locals live, tourism area, just to guide. For recreational activity, we need to specify what kind of attraction is available. (Mr. Watanabe)
- We need to put a general statement that these numbers are indicative and subject to change with different parameters like the low and peak seasons, fuel costs rising, rising of power costs, and so on. Also putting these figures as a range is better. (Mr. Njehia)
 - ⇒ I got insight from the comment from Mr. Njehia that we don't necessarily mention the costs but show the availability of services in Mombasa. The parts which are tricky to show the exact costs are to be changed. (Ms. Konaka)
 - ⇒ Agreed on the idea and Dr. Meng added that we don't need to show the costs of car hire, house rent, internet costs but just general information of the facilities available in Mombasa like the availability of good education, 24-hour medical care, internet, high standard apartment for rent, and transportation; because the pricing will be affected by the time difference and so many parameters changing. (Dr. Meng)
 - ⇒ For the exact costs, one paper can be attached in the promotional material as a supplemental reference for expatriate. (Mr. Watanabe)

(4) Way forward

- Next regular meeting with SEZA: Wednesday, October 21, 2021: 10.00 (Kenyan time)/16.00 (Japan time) via zoom. (Tentative)

End of document

Meeting Memo of Regular Meeting with SEZA for DK SEZ

Date and time	10 November 2021 10.00-11:30 Kenya ST 16:00-17:30 JST	
Venue	SEZA Board room and Remote (Zoom)	
Topics	<ol style="list-style-type: none"> 1. Recent activities until 9 November 2. OSS: SOP update 3. Promotional Material 4. Way forward 	
Participants	SEZA	Mr. Njehia
	JICA Expert	Mr. Matsushima
	JICA Consultant team	Mr. Watanabe, Ms. Kaneko, Ms. Konaka Ms. Karen, Mr. Brian, Mr. Kinoti

Following agenda was discussed in the meeting.

(1) Recent activities until 9 November

- Mr. Watanabe explained overview of the progress since previous meeting.

(2) OSS: SOP update

- **MOU:** Mr. Brian gave an update of the status of MoUs. In regard to MoU with KEBS, internal confirmation by legal unit is ongoing. In regard to KRA, the draft MoU is still under review. The review from Immigration and NEMA are not received but planned to be received.
- Mr. Njehia noted that he will follow up with the KRA officer who is handling the MoU.
- **SOP:** Mr. Brian reported that the team had a successful meeting with KRA Bonded Facilities-Customs at JKIA on 3 November, where we managed to collect some comments on cargo handling which are currently being reflected on the SOP document. Also, on the way forward, he mentioned that the team is planning to organize a technical review meeting with KRA whereby we will engage technical officers from specific sections of KRA for review and comments. The tentative date for this meeting is Monday 22 November.

✓ **Question and Answer on the cargo handling**

- Mr. Watanabe asked for clarification on the cargo handling, where the challenge observed has been SEZs not submitting the Master list to customs once they receive it from SEZ enterprise.
 - ⇒ SEZ enterprises are supposed to notify the KRA resident officer of an impending importation, with a letter, the valid SEZ license, and also the master list of the items to be imported. The KRA officers noted that some SEZs enterprises in Tatu City SEZ didn't submit the master list to the resident officer. If KRA doesn't have master list, the enterprise wouldn't be able to access the consignments. (Mr. Brian)
 - ⇒ The master list was either being submitted too late or being submitted when the consignments

were already at the port, which makes it difficult for the resident officer to cross-check the consignments with the master list on time. (Ms. Kaneko)

⇒ Hence, the consultant team added the Master list amongst the requisite documents in the SOP, needed when notifying SEZA on an impending importation. (Mr. Brian)

⇒ Mr. Gitau's recommendation was that the enterprises should be requested to submit the master list, early in advance, so that SEZA will issue the letter to KRA together with Master list, then KRA will have enough time to crosscheck what goods have been procured once the cargo has reached the port. (Ms. Kaneko)

(3) Promotional material

- Ms. Konaka reported the progress on 3D images and brochure. Also, she shared the various designs and theme of brochure and requested SEZA to review sample brochures to decide the suitable one for SEZA.

(4) Way forward

- Next regular meeting with SEZA: Wednesday, 24 November 2021, 10.00 (Kenyan time)/16.00 (Japan time) via zoom. (Tentative)

End of document

Meeting Memo of Regular Meeting with SEZA for DK SEZ

Date and time	26 November 2021 14.00-15:30 Kenya ST 17:00-18:30 JST	
Venue	SEZA Board room and Remote (Zoom)	
Topics	<ol style="list-style-type: none"> 1. Recent activities until 25 November 2. OSS and MoU Update 3. Promotional Material 4. Financial Analysis 5. Way forward 	
Participants	SEZA	Mr. Francis
	JICA	Ms. Olubendi
Participants	JICA Expert	Mr. Matsushima
	JICA Consultant team	Mr. Watanabe, Ms. Kaneko, Dr. Meng, Ms. Konaka Ms. Karen, Mr. Brian, Mr. Kinoti

Following agenda was discussed in the meeting.

(1) Recent activities until 25 November

- Mr. Watanabe explained overview of the progress since previous meeting.

(2) OSS: SOP update

- **MOU:** Mr. Brian gave an update on the status of MoU. So far, we have received the final version from KEBS, NEMA and Immigration. In regard to the draft MoU with KRA, we are awaiting comments from the KRA officer.
- **SOP:** Mr. Brian reported that the comments from both SEZA and KRA were received and reflected in the SOP document.
- Two technical review meetings were held with KRA, to discuss the KRA operations within the SOP document. The draft SOP was presented and the team received comments on the Export and Import code issuance, tax framework under the SEZ program, and freight forwarding. KRA team proposed to have a follow up meeting for continuous discussion on SEZ operation with SEZA, tentatively on 7 December.
- **Site visit to Tatu City SEZ, Naivasha SEZ/ ICD and Athi River EPZ:** Mr. Brian gave a brief of several site visits done by the consultant team.
- ✓ Question and Answer on SOP
- Ms. Olubendi enquired whether the team has consulted the National Treasury (Fiscal Affairs Department) on the issues of tax incentives, in the SOP discussions with KRA. (Ms. Olubendi)
 - ⇒ The consultant team has not directly communicated with National Treasury, but have had a series of consultation with KRA so far and referred to the Finance Acts related Government

regulations. Also, during the consultation meetings with KRA, we reviewed the draft document and reconfirmed the information indicated. (Ms. Kaneko)

⇒ The SOP was only touching on tax incentives that are already granted, so the consultant team and SEZA looked at the procedures on how to effect those taxes on the investor. (Mr. Francis)

(3) Promotional Material

- Mr. Kinoti gave a brief of the activities done so far, the timelines we have to complete the remaining work, and how we plan to complete the work. Consultant team also had a meeting with Mr. Barack to source and select specific pictures to be used in the brochure, and later shared the selected pictures to the design company. We hope to have the pending information finalized by next Monday when we receive the first draft, so that the brochure design is finalized within the time schedule of three weeks.
- ✓ Question and Answer on the message from CEO SEZA
- Ms. Olubendi enquired whether the message from the Ministry (PS or CS) are acquired. (Ms. Olubendi)
 - ⇒ It is planned that the message from CEO SEZA only because this brochure is specific to DK SEZ. (Ms. Konaka)

(4) Financial Analysis (Condition and preliminary result)

- Mr. Watanabe showed the preliminary result of financial analysis. He informed that he plans to discuss extensively with SEZA on how to conduct financial analysis, and also how this will be developed.

(5) Way forward

- Draft final report of the project will be prepared by consultant team.
- Next regular meeting with SEZA: Wednesday, 8 December 2021, 10.00am (Kenyan time) via zoom. (tentative)

End of document

Meeting Memo of Regular Meeting with SEZA for DK SEZ

Date and time	8 December 2021 10.00-11:00 Kenya ST 16:00-17:00 JST	
Venue	SEZA Board room and Remote (Zoom)	
Topics	<ol style="list-style-type: none"> 1. Recent activities until 7 December 2. OSS and MoU Update 3. Promotional Material 4. Financial Analysis 5. Way forward 	
Participants	SEZA	Mr. Njehia
	JICA	Ms. Olubendi
	JICA Expert	Mr. Matsushima
	JICA Consultant team	Mr. Watanabe, Ms. Kaneko, Dr. Meng, Ms. Konaka Ms. Karen, Mr. Brian, Mr. Kinoti

Following agenda was discussed in the meeting.

(1) Recent activities until 8 December

- Mr. Watanabe explained overview of the progress since previous meeting.

(2) OSS: SOP update

- Mr. Brian reported that consultant team is finalizing the SOP document. It is expected that the final SOP are to be submitted to SEZA by the end of this week for their review.
- Mr. Brian noted that a follow-up meeting between SEZA and KRA was postponed to probably next January, due to lack of quorum on KRA side.
- Ms. Karen to follow up with Ms. Risper of KRA on the reviewing, confirmation and signing of the draft minutes of the Technical Review meeting on SOP, which was held on 22 November.

(3) Promotional Material

- Mr. Konaka shared the progress of making 3D images, noting that the team already shared with SEZA and JICA team the 1st outcome. However, we are waiting for the improved images with detailed appearance and once they are ready, we will include them in the draft brochure. Also, she shared the link of draft brochure on Google drive so that stakeholders can confirm the latest status.
- Regarding the message from the CEO in the brochure, Mr. Njehia confirmed that we will include the picture and name of the CEO, as this is the standard for most brochures in Kenya.
- Ms. Olubendi recommended Mr. Matsushima and consultant team: both promotional materials refer to each other to show the connectivity (the Investment Guide from Mr. Matsushima), and it

was agreed by both parties.

(4) Financial Analysis (Condition and preliminary result)

- Mr. Watanabe showed the preliminary result of financial analysis.

- ✓ Question and Answer on the condition
 - ✓ Regarding the land lease, does the pricing of the land remain static or do we take into consideration possible appreciation of the land? (Ms. Olubendi)
 - The prices can be raised as business grows. However, during initial stage of the operation, the land lease price should be kept low to attract investors but as the plots fill, we can raise the price but still have to be careful how much SEZA charges. If the demand is not high, even after operations start, it may not be ideal to raise lease price, but again this is part of negotiation between SEZA and investors. (Mr. Watanabe)
 - Mr. Njehia added that the land policy shows USD 3000 per hectare per year which is lower than EPZ and SEZA is also proposing an escalation of up to 5% of land lease after 5 years.
 - ⇒ We can also compare the lease rate figures for buildup areas with those being offered in SEZs like Tatu City, Northlands, Compact SEZ, and EPZs. (Mr. Watanabe)
- Mr. Watanabe remarked that there will be a sectoral meeting on financial analysis with Mr. Njehia to discuss in detail how the financial analysis will be done, after this meeting.

(5) Way forward

- Consultant team is currently compiling all the activities in preparation of submitting Draft Final Report to JICA on 13th December. All the output for this project will be attached to the report. This include the SEZ operations (OSS), MoUs with partner organizations and SOP, IP development with IP detailed plan, technical guidance on IP development, and promotional material.
- In our next regular meeting, the topics will be on wrapping up activities, and consultant team hope to invite the CEO, and other persons in SEZA.
- Next regular meeting with SEZA: Wednesday, 22 December 2021, 10.00am (Kenyan time) via zoom. (tentative)

End of document

Meeting Memo of Regular Meeting with SEZA for DK SEZ

Date and time	22 December 2021 9.00-10:00 Kenya ST 15:00-16:00 JST	
Venue	SEZA Board room and Remote (Zoom)	
Topics	<ol style="list-style-type: none"> 1. Explanation of Draft Final Report to SEZA 2. Comments from SEZA 3. Way forward 	
Participants	SEZA	Dr. Meshack, Mr. Njehia
	JICA Expert	Mr. Matsushima
	JICA	Mr. Watanabe, Ms. Kaneko, Dr. Meng, Ms. Konaka
	Consultant team	Ms. Karen, Mr. Brian, Mr. Kinoti

Following agenda was discussed in the meeting.

(1) Explanation of Draft Final Report to SEZA

- Mr. Watanabe explained the points of Draft Final Report along the slides and attachments of the report.
- Question and Answer on the MoUs and SOP of OSS
 - ⇒ Dr. Meshack asked the status of MoUs and SOP and necessity of follow-up by SEZA for way forward. (Dr. Meshack)
 - ⇒ Draft MoUs: contents were accepted by four organizations. On the level of involvement on drafting MoUs, the team communicated with mainly the technical staff. Therefore, as a next step, when the OSS is ready to set up in SEZ, SEZA can reopen the formal consultation and engage the top management, for final review and signing with respective organizations. (Ms. Kaneko)
 - ⇒ SOP: SEZA and JICA consultant team had discussions with stakeholders, particularly with KRA, and they agreed on the contents. Since SOP is living document, it will be updated whenever relevant laws and regulations are created. For this reason, the continued consultation with partner organizations is very essential. Through this process, the partnerships between SEZA and partner organizations will be further nurtured and the OSS setup will be ready in the SEZ. (Ms. Kaneko)

(2) Comments from SEZA

- Dr. Meshack appreciated the work done and mentioned on following topics:
 - Promotional material: Dr. Meshack noted that the brochure work looks good, and would like to see the updated sections once they are ready, so that SEZA give their comments before the final design is done. Once we finalize the brochure, we should be ready to start marketing

DK SEZ.

- EAC SEZ Survey: SEZA has been discussing with the Ministry of Industrialization, Trade and Enterprise Development on how to approach the issue of the SEZ Policy. He requested JICA consultant team to give copy of the draft report so that SEZA can discuss at the Ministry level with PS and get some comments. SEZA will discuss with the Ministry to push for this Agenda to be adopted and approved at EAC level, which will be very good for the development of SEZs in EACs.
- Technology transfer: He appreciated the commitment from JICA consultant team through the collaboration and discussion on other SEZs. SEZA has been able to build their capacity to deal with all technical matters in regard to the implementation of the program and the development of IPs.
- Lastly Dr. Meshack appreciated Mr. Watanabe and the team for the good job, sharing a lot of experience, models and approach of handling different technical matters, and in the process, SEZA team has also benefited greatly. The implementation of DK SEZ has been made easier because SEZA have all the documents they require to refer and guide in the implementation. SEZA looks forward to realizing the objective of these studies, to make sure the development of SEZ and IP starts, infrastructure and the industries coming up, creation of employment, and the economy of Kenya growing because of DK SEZ.
- Mr. Njehia remarked that SEZA have seen the project achieve even more than we expected, and has brought SEZA closer to stakeholders, and now it will be easier to sign MoUs with the partner organization, when the time comes. The project has made a breakthrough in some areas that were very difficult. Also, the report is very comprehensive and will be used in other SEZs. In future we can use this information to assist counties in designing their own IPs.

(3) Way forward

- Mr. Watanabe remarked the consultant team really appreciates SEZA's commitment and interest on the development of DK SEZ. He thanked SEZA for their contribution to this project, and also Mr. Matsushima for his advice, and all the team members commitment.
- The team is working to complete any pending activity and the final report will be submitted in January 2022. However, Mr. Watanabe noted that he will be in Kenya in January and he can still go to SEZA office to support this SEZ activity.

End of document

Annex 2

Meeting material of thematic meeting

Meeting Memo of Thematic Meeting

Date and time	26 August 2020 10:00-11:30 Kenya ST/16:00-17:30 JST	
Venue	Remote Meeting (Skype)	
Topics	<ol style="list-style-type: none"> 1. Outline of the project 2. Outline of SEZ 3. One Stop Service (OSS) to be applied 4. Outline of One Stop Center (OSC) of KenInvest 5. Comments from respective organizations and discussion 	
Participants	SEZA KenInvest EPZA KRA JICA JICA Expert Consultant team	Mr. Njehia, Mr. Brian (Coordinator) Mr. Rogers Amisi, Ms. Mercy Chemoiwo Ms. Faith Pashile Mr. Michael Ogutu HQ: Mr. Wakabayashi Kenya office: Mr. Steve, Ms. Caroline Mr. Matsushima Mr. Watanabe, Ms. Kaneko, Dr. Meng, Ms. Konaka

Following agenda was discussed in the meeting.

(1) Outline of the project

- Mr. Watanabe introduced about this JICA project.

(2) Outline of SEZ

- Mr. Watanabe introduced about target area of this JICA project and preparation of OSS by SEZA in DK SEZ.

(3) One Stop Service (OSS) to be applied

- Mr. Njehia explained about planned OSS function with responsible organizations.

(4) OSC of KenInvest

- Mr. Rogers explained about the OSC of KenInvest through power point slides.

(5) Comments from respective organizations and discussion

- Discussion was as held follows.

✓ Questions and answers about OSC of KenInvest

- How MoU and SLA works in OSC of KenInvest? (Mr. Njehia)

⇒ MoU shows the services KenInvest offers in OSC, responsible other institutions

in the OSC, obligation of employee, applications of management of KenInvest Authority etc. MoU is broader and more legal documents compared than SLA. MoU was signed by Governor of Nairobi. On the other hand, SLA is more individualistic because it is conducted between KenInvest and other institutions. SLA is signed by the respective officers. (Mr. Rogers)

⇒ Questions (Ms. Kaneko)

- 1) Does KenInvest have agreement with relevant organizations as MoU and/or SLA?
- 2) How do you arrange with responsible organizations in terms of staffing? Do they station at OSC on daily basis or they just come on particular day?

⇒ Answers and additional information (Mr. Rogers)

1) KenInvest has both MoU and SLA.

2) *Background of OSC installment and current staffing situation in KenInvest:*

OSC started 10 years ago. At first, there were two challenges; there're not enough staff to send from responsible organizations and there was no specific stipulation in the Act to send the staff to OSC. For example, as per Immigration Act, it was not allowed to send the staff to other institutions. Under the situation, KenInvest had a lot of discussion in cabinet and presidency. In 2014, the President ordered to send staff immediately to OSC. For the installment of OSC, KenInvest investigated what kind of function needed so that the staff has tasks to do. For pre and post establishment of OSC, we confirmed the critical items such as company registration, immigration, environmental issues, power connection, revenue etc. Then, KenInvest selected critical organizations. With the help of order by presidency, KenInvest succeeded to call KPLC, company registration personnel, immigration personnel etc. Those officers permanently stay in OSC but there are some institutions staying in respective organizations.

Critical Points to install OSS:

The point is how incentive can be offered to responsible institutions to request dispatch and make clear view of OSS structure. The other point is some institutions such as ICT is not compatible with OSC in terms of using software. In that case, officers of OSC send the documents to back office so that those documents are dealt by mother institutions.

Utility supply:

KenInvest supplies all necessary utilities for office work of seconded officers such as PC and laptop.

3) *Other information -Authority of OSC:*

in the OSC, obligation of employee, applications of management of KenInvest Authority etc. MoU is broader and more legal documents compared than SLA. MoU was signed by Governor of Nairobi. On the other hand, SLA is more individualistic because it is conducted between KenInvest and other institutions. SLA is signed by the respective officers. (Mr. Rogers)

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Utility supply:

KenInvest supplies all necessary utilities for office work of seconded officers such as PC and laptop.

3) *Other information -Authority of OSC:*

There are 3 types of OSC management methods depending on the power of approval of seconded staff as shown in the table below.

Table 1 Types of OSC

No.	Authority in OSC	Remark
1	Approval	Where there're seconded officers who have power to approve permits such as immigration, the permits are dealt by OSC itself. The required documents are sent to the head office later.
2	Approval (limited)	Where there're seconded officers who are allowed to give approval to certain permits and licenses, the certain permits are dealt by OSC itself, while others are approved at the head office.
3	Facilitation	Where there are seconded officers who have little power, the required documents are sent to coordinate with head office.

4) *Other information - Challenges to install OSS:*

Solidarity is important. Creating harmony, making staff feel comfortable in the KenInvest through engagement such as frequent meeting is necessary.

Currently, installment of additional institutions such as National Construction Authority, National Land Commission, Nairobi County Government is under consideration.

- ⇒ How many years in general does the staff station in OSC? (Ms. Kaneko)
- ⇒ It's up to MoU with respective institutions. However, 2 years is average. (Mr. Rogers)

✓ Comments by OSC staff

- I feel being in OSC at home. I appreciate the boss of KenInvest because he cares what the staff needs and supports a lot. (Mr. Michael, KRA)
- Working with KenInvest is great experience. I feel at home there are good teamwork. (Ms. Faith, EPZA)

✓ Questions and answers about EPZA

- Is there any issues frequently occur related EPZA in OSC? (Mr. Njehia)
- ⇒ Most issues are about EPZA program by investors. I offer the investors to take part in EPZA program and explain the procedures, necessary documents to start business in EPZ. Frequently I receive questions related to immigration and work permits (Ms. Faith,

EPZA)

✓ Advice by Mr. Rogers, KenInvest

- Sending the staff to SEZA is critical. As an option SEZA can ask KenInvest to support OSS work to OSC. (Mr. Rogers)

⇒ SEZA is very young authority and there're things to learn from KenInvest. The collaboration with KenInvest has benefit for SEZA and it is helpful. I appreciate it. (Mr. Njehia)

⇒ One of the challenges to start OSS in DK SEZ is that the main office of OSS is in DK SEZ, Mombasa. It is expected the sub office in Nairobi can support to deal with the documents. Since KenInvest and SEZA have good relationship, I hope SEZA can utilize the support by KenInvest. (Mr. Watanabe)

- One of the benefits to support colleague in OSC is to manage the customer effectively. There are so many investors come in and sometimes there might cause frustration. When administration of SEZA is included, it is expected that the manager selects the jurisdiction whether KenInvest or SEZA.

As for ICT, although OSC function is limited because of the small office space, we're cooperating to make the procedure easier in Nairobi. (Mr. Michael, KRA)

⇒ What kind of complaint do you receive? (Mr. Watanabe)

⇒ We seldom receive complaint. Contrary, customers are surprised with the speed of OSC. Actually, officers can feel frustrations because documents completion among different institutions is necessary and complicated. Since number of officers are limited, management is important.

As for the management, currently specific officers who have right can deal with the procedure of other institutions. For example, KRA officer can do immigration work and officer who are in charge of registration of company can do NEMA work. (Mr. Rogers)

⇒ Who provides training? (Mr. Watanabe)

⇒ KenInvest makes training by ourselves. It is based on the training through the support of the Irish Government (Mr. Rogers)

✓ Questions and answers about further cooperation

- For future inquires, may we ask support to you? (Ms. Kaneko)
- Anytime, with pleasure. (Mr. Rogers)

End of document

Meeting Memo of Thematic Meeting with SEZA, KRA, Immigration and NEMA

Date and time	6 October 2020 10:00-11:30 Kenya ST/16:00-17:30 JST	
Venue	Remote Meeting (Skype)	
Topics	<ol style="list-style-type: none"> 1. Outline of the Project 2. Outline of SEZ 3. For establishment of OSS 4. OSC managed by KenInvest 5. Comments from respective organization and discussion 6. Way forward 	
Participants	SEZA	Mr. Njehia
	KRA	Mr. Caxton Ngeywo (Head of Policy, Domestic Taxes), Mr. Charles Cheruiyot (Tax Advisor, Domestic Taxes)
	NEMA	Ms. Oceanic Sakwa (Senior Compliance officer), Mr. Reagan Awino (Senior Compliance officer)
	Department of Immigration	Mr. Peter Karoki (Deputy Commissioner, Work Permit)
	JICA Expert	Mr. Matsushima
	Consultant team	Mr. Watanabe, Ms. Kaneko, Ms. Konaka, Mr. Meng, Mr. Brian, Mr. Kinoti, Ms. Karen

Following agenda was discussed in the meeting.

(1) Outline of the Project

- Mr. Watanabe briefly introduced about the DK SEZ project by JICA.

(2) Outline of SEZ

- Mr. Njehia shared the outline of DK SEZ with legal framework of SEZ and geographical situation.

(3) For establishment of OSS

- Ms. Kaneko explained the establishment of OSS is prescribed in the SEZ Act and Regulations. Then, she shared the road map of OSS for DK SEZ and plan of the assistance by JICA project.

(4) OSC managed by KenInvest by SEZA

- Ms. Kaneko explained the OSC managed by KenInvest and shared the result of the confirmation on the functions and services provided by other organizations.
- Ms. Kaneko raised inquiries to managers of mother organizations of OSC. The answers and clarifications are summarized in the annex of this document.

(5) Comments from respective organizations and discussions

- Mr. Njehia thanked to the participants and requested continuous support and discussion to establish OSS in DK SEZ. Development of DK SEZ is top government economic project and support by stakeholders is important. While he mentioned importance of the 3 organizations invited (Department of Immigration, KRA and NEMA), he mentioned the special provision such as ratio of foreign workers: according to section 35 (3) in SEZ Act, up to 20 % foreign permanent workers are allowed and according to 35 (4) certain sectors, the percentage will be negotiated upwards.
- Questions and comments by respective organizations were summarized as follows.

✓ **Questions and answers about OSS plan in DK SEZ**

- Ms. Sakwa from NEMA inquired following to SEZA.
 - i. SEZA mentioned they will have a OSS in each SEZ. Will this apply even in private economic zones like Tatu City, Northlands etc.?
 - ii. When SEZA set up a OSS in the SEZs, does SEZA intend to send every stakeholder officers to these SEZs?
- As answer to Ms. Sakwa, Mr. Njehia commented as follows.
 - i. SEZA intends to have OSS in every zone in DK SEZ. As Kaneko explained about the roadmap, SEZA plans to have several OSS functions in OSC in KenInvest at first stage. Then, other functions will be developed gradually along the SEZ development.
 - ii. When SEZ is set up in DK SEZ, not every officer will be required to be seconded.
- Mr. Brian added comments about the necessity to clarify the collaboration with NEMA, not only in the OSS but also with NEMA headquarters to make sure the process of approvals such as environmental impact assessment, and strategic environmental assessment.

✓ **Comments from Department of Immigration**

- Work permit for investors is one of the biggest agenda and this will help Kenyan Government to achieve Big 4 agenda. As for the work permit in EPZ or SEZ, Department of Immigration internally fast track for any applications because investment by investors are crucial in the country.

Also related to employees, Department of Immigration emphasizes the level of investment. In case the investor has a big investment, even number of expatriates increases, large amount of Kenyan worker will be secured. (Mr. Karoki)

✓ **Comments from NEMA**

- NEMA has offices in all 47 counties in Kenya and it smoothen coordination within the organization. For seconded staff from NEMA to OSC in KenInvest, after MoU was concluded, KenInvest sent a written request to Director General of NEMA. Then, it was sent to board of management and approved. (Mr. Reagan)

✓ **Comments from KRA**

- There is necessity of discussion with SEZA in individual meeting. Some support such as establishment of accounting systems for companies in SEZ and providing advisory work on rights and obligations in taxation to companies can be provided by KRA. (Mr. Ngevwo)

(6) Way forward

- Individual meetings will be arranged with the stakeholders to discuss detailed services, management conditions to have a clear understanding.
- The date and time of future meetings will be arranged by SEZA.

End of document

Annex of Meeting Memo of Thematic Meeting with SEZA, KRA, Immigration and NEMA (6 October 2020)

Comments by invited organizations on discussion agenda is as follows.

Theme 1. Scope of services and level of authorities agreed between KenInvest and mother organizations.

	Topics	KRA	Immigration	NEMA
1	Mode of services at OSC and mother organizations	MoU (Information according to KenInvest)	MoU, no formal agreement	MoU (Information according to KenInvest)
2	Authorities at OSC	<u>Authority was not mentioned directly</u> The seconded officer is required to handle both customs and taxation.	<u>Facilitation (approved by the inter-ministerial committee)</u> Task of seconded staff is to ensure any application meet requirements in order to receive approval by the inter-ministerial committee ¹ .	<u>Facilitation</u> The seconded staff has facilitation and coordination role. The main role of NEMA at OSC is advisory work, which is usually done at the pre-setting stage (before the investors set up their facility); look at environmental concerns and advise the investors accordingly. All approvals are done at headquarters or the NEMA's office in respective county offices.

¹ The committee is inter-ministerial committee which organized by Department of Immigration, KenInvest, Office of President, Ministry of Labor and Ministry of Education.

Theme 2. Staff management

	Topics	KRA	Immigration	NEMA
1	Staffing	Officers of domestic tax and customs stay in OSC (Number of staff was not mentioned but assumed one staff might take both duties)	One (1) officer stays in OSC. Normally the officer is seconded from the work permit section.	One (1) officer (not directly mentioned but assumed by remark) Period of station in OSC is 3 years. The changeover comes as a notification from the Director of NEMA.
2	Duties	Operation of seconded staff is based on the government guidance and updated every year. Performance contracts signed by the staff is used.	(not directly mentioned)	The seconded staff has tasks assigned by HQ.
3	Appraisal	(not directly mentioned)	Conducted based on Public Service Commission (PSC) ² on quarterly basis. The target (e.g. No. of visa/work permits approved, etc.) is set according to the work at OSC.	Conducted based on PSC. The appraisal is done twice in a year, December and June.

² Any secondment of officer to any organization needs approval from the Public Service Commission (PSC). This is clearly outlined in the PSC document referred to as Human Resource Policy and Procedures Manual Section 33(1-8). According to Department of Immigration, KenInvest needs to make formal request to the Director General, who will request the PSC for approval to second an officer to KenInvest in future.

4	Monitoring	Monitoring is conducted on monthly basis.	Monitoring and its procedures to the seconded staff is based on PSC.	The line manager at OSC will act as first supervisor to whom the seconded officers report on a daily basis. Also, normal duties are counterchecked by supervisor at the mother organization.
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Theme 3. Staff trainings

	Topics	KRA	Immigration	NEMA
1	Training before the staff seconded by mother organizations	No specialized trainings.	No specialized trainings (Seconded staff is already trained for its own job before sent to OSC)	No specialized trainings (Seconded staff is already trained for its own job before sent to OSC)
2	Trainings while the staff seconded by mother organizations	No specialized trainings.	The seconded staff from permit section is senior officer who are already got trainings.	No specialized trainings as the seconded officer has only advisory role.
3	Trainings by KenInvest	Trainings by KenInvest is acceptable in terms of capacity building for the staff.	Trainings by KenInvest such as public relations is acceptable.	Trainings by KenInvest is acceptable in terms of capacity building for the staff.

End of document

Meeting Memo of Thematic Meeting with County Government of Mombasa, on OSS
and Industrial Park Development

Date and time	8 October 2020 10:00-11:00 Kenya ST/16:00-17:00 JST	
Venue	Remote Meeting (Zoom)	
Topics	<ol style="list-style-type: none"> 1. Outline of the Project 2. Outline of SEZ 3. For establishment of OSS 4. Expected collaboration of Mombasa County Government on Industrial Park of SEZ development and management. 5. Comments and discussion 	
Participants	SEZA	Eng. Murimi
	Mombasa County	Mr. Farah Mohammed (Chief Officer, Investment), Ms. Ilhan Abass (Chief Officer, Environment, Waste Management & Energy), Eng. Peter Migosi (Director in charge of Infrastructure), Ms. June Mwajuma (Chief Officer, Lands, Planning & Housing)
	JICA Expert	Mr. Matsushima
	JICA Consultant Team	Mr. Watanabe, Ms. Kaneko, Dr. Meng, Ms. Konaka Mr. Brian, Mr. Kinoti, Ms. Karen

Following agenda was discussed in the meeting.

(1) Outline of the Project

- Mr. Watanabe briefly introduced about the DK SEZ project by JICA and team members.

(2) Outline of SEZ

- Eng. Murimi shared the outline of DK SEZ with legal framework of SEZ and geographical situation.
- Eng. Murimi asked to participants from Mombasa County Government whether they're aware that Dongo Kundu is designated as a special planning area and gazette notice exists in this regard. Then, Mr. Farah (Chief Officer, Investment) answered that they are aware of it.
- Again, Eng. Murimi asked to participants whether they have Gazettement which has effect.

Then, Mr. Farah answered that Mombasa County has the Gazettement.

(3) For establishment of OSS

- Eng. Murimi explained the establishment of OSS prescribed in the SEZ Act and Regulations. Then, he shared the road map of OSS for DK SEZ and its work plan.

(4) Expected collaboration with Mombasa County Government on Industrial Park of SEZ development and management

- Mr. Watanabe emphasized importance of collaboration with Mombasa County Government regarding approval permit of construction, OSS operation. Then, he asked comments and ideas by the participants from Mombasa County Government.
- Ms. Kaneko introduced herself and reiterated the importance of this meeting as introductory session so that we can share current situation about OSS in DK SEZ. Although today's meeting is an initial kickoff, she requested to continue our communication with relevant organizations including Mombasa County Government so that the team is able to establish the necessary OSS functions and services in DK SEZ in the future.

✓ Comments by Eng. Migosi (Director in charge of Infrastructure)

- The Infrastructure department in Mombasa County Government approves all infrastructure plans. In this regard, the County Government is willing to expedite all the required approvals once the requirements meet. The County Government is also in charge of Infrastructure around the economic zone. Hence, we are ready to collaborate and play our part in a timely manner.

As a County Government, we are keen on the SEZ development since it will accelerate the economic situation for Mombasa, more especially in creation of employment opportunities. (Eng. Migosi)

✓ Comments by Ms. Abass (Chief Officer, Environment, Waste management &Energy)

- We are keen to work with SEZA and JICA. As a County Government, we have established a whole investment docket that deals with all investors to support SEZA. All other units in the County Government will give support and SEZ development needs to follow

normal protocols.

DK SEZ development brings profit to our Mombasa people provide employment that is needed to increase our economy.

Mombasa County Government will seek how to collaborate with SEZA. In terms of environmental issues, County Government will work together with factories which will operate in SEZ to ensure environmental assessment.

- ✓ Comments by Mr. Farah (Chief Officer, Investment)
 - All approvals by County Government are done online, which support to make the process faster, more accountable and transparent.

- ✓ Question and answers
 - How can Mombasa County Government support OSS services by SEZA since County Government has right to approval plans and construction? (Mr. Watanabe)
 - ⇒ In terms of the approval processes, County Government can be part of OSC member by seconding officers so that we can quickly deal with the approval. Mombasa County Government already has established department of investment which acts as the link to facilitate and fast track any issue to be addressed. (Mr. Farah)
 - ⇒ If officers are seconded from Mombasa County for OSS services, which department officers would be seconded? (Mr. Watanabe)
 - ⇒ It will be the department of investment because it coordinates related to infrastructure, environment, lands and physical planning. (Mr. Farah)

(5) Comments and discussion (current infrastructure status and IP plans)

- Mr. Watanabe mentioned that introductory he would like to confirm some issues for Industrial Park (IP).
- Dr. Meng explained that SEZA and JICA Consultant Team is planning to develop Industrial Park in DK SEZ and need collaboration for infra sectors. Details of requirements of some infrastructures (water supply & wastewater management, road network, solid waste management, drainage discharge) were share with power point slides.

- Mr. Kinoti, assistant civil engineer introduced himself and informed that he will cooperate closely with Ms. Abass and Eng. Migosi to follow up information of Mombasa County.

- ✓ Comments from Ms. Abass (Chief Officer, Environment, Waste Management and Energy)
 - Solid waste management:

County Government has policies on industrial waste and hazardous waste because this is one of the issues County Government focuses. Also, we are working closely with NEMA. We can share Policy Guidelines of County and related Act with the Chief Officer, Investment.

In the Southern side of Mombasa, there is an dumpsite at Shonda (Tigwani Ward), a few kilometers from DK SEZ. DK SEZ is in Mtongwe Ward but they are all within the same vicinity. Also, there's another large dumpsite in Kisauni, called Mwakirunge; which you cross the ferry on the Northern side; but the one in Southern side will be more ideal for DK SEZ. County Government would like to know how SEZA plans to dispose the hazardous waste and industrial waste.
 - Drainage and discharge points:

On the sanitation of the sewerage system, County Government trusts that SEZA will use alternative discharge ways. However, the County will have a whole unit and consider how both SEZA and County Government can work together. Eng. Migosi is appropriate person to communicate.

- ✓ Comments by Mr. Farah Mohammed (Chief Officer, Investment)
 - The Department of Investment is ready to support SEZA and JICA Consultant Team. Any issues that you need addressed, kindly do not hesitate to reach out to us. We will be helpful in coordinating and fast tracking any processes.
 - Mombasa County is planning to establish its own IP, which in all intents and purposes are supposed to compliment the DK SEZ and synergize together.
 - ⇒ Where are you planning to establish IP? (Mr. Watanabe)
 - ⇒ It is in Miritini area. We are in the process of working with SEZ Authority (Mr. Farah)
 - ⇒ We are the in the process of getting license and the gazettelement of the same.

Feasibility study has been finished and it is supported by Trademark East Africa. The IP from DK SEZ is just five minutes, five minutes from SGR and five minutes from Mombasa Airport. This will complement the function of DK SEZ, since DK SEZ has bigger investment and IP by Mombasa County Government targets light industries. (Ms. Abass)

- ✓ Comments by Ms. Mwajuma (Chief Officer, Land, Housing& Physical Planning)
 - Regarding to the approval process, part of the County's plan in support of investment, the County Government has agreements to provide to certain waivers, on both the land as well as the construction permit rates. All of this will be anchored within the unit of the investment. In case of such requests, kindly contact to County officers.

End of document

Meeting Memo of Thematic Meeting for DK SEZ

Date and time	6 April 2021 10.00-11:20 Kenya ST 16:00-17:30 JST	
Venue	Remote Meeting (Zoom)	
Topics	<ol style="list-style-type: none"> 1. Rationale of SEZ Program 2. Outline of the Current Project 3. Establishment of One Stop Shop (OSS) in SEZs 4. KEBS Collaboration in Operationalizing OSS 5. Comments and Discussion 	
Participants	SEZA	Mr. Njehia, Eng. Murimi
	KEBS	Mr. Bernard Nguyo (Acting Director, Quality Assurance & Inspection) Ms. Esther Ngari (Director, Standards Development and Trade) Mr. Peter Kaigwara (Director, Market Surveillance) Dr. Henry Rotich (Director, Metrology & Testing) Mr. Zachariah Lukorito (Chief Manager, Standards Development & Trade) Mr. Samson Butichi (Chief Manager, Planning and Strategy) Mr. Martin Masibo (Technical PA to the MD)
	JICA Consultant team	Mr. Watanabe, Ms. Kaneko, Ms. Konaka Ms. Karen, Mr. Brian, Mr. Kinoti

Following agenda was discussed in the meeting.

(1) Rationale of SEZ Program

- Mr. Watanabe briefly introduced JICA consultant team and the DK SEZ project by JICA.
- Mr. Brian explained about outline of SEZ and its flagship project under Vision 2030.

(2) Outline of the Current Project

- Mr. Brian explained through power point slides.

(3) Establishment of OSS in SEZs

- Mr. Brian explained through power point slides.
- Mr. Brian also shared that SEZA is looking to undertake agreements as MoU between the relevant

parties, that will establish OSS collaborations. Currently SEZA is working on a draft agreement with KEBS which will be shared to get comments from KEBS soon.

(4) KEBS Collaboration in Operationalizing OSS

- Mr. Brian explained the proposed KEBS roles in OSS and SEZA's proposal on the level of Authority granted to KEBS.

(5) Comments and discussion

- Mr. Njehia thanked to KEBS members to participate the meeting. He noted that KEBS is quite key in the SEZ program, and the issues of PVOC needs to be fast tracked because provision of green channel is key. We would like to receive clarification from KEBS; when we are talking about PVOC and we have an officer at OSS, how does the approval committee come in, in the facilitation of PVOC.
- Comments by Mr. Bernard Nguyo:
 - SEZA has mentioned that the key role of KEBS will be standardization and certification but there is also the aspect of standards development, meteorology, and calibration services key in industry, testing services, product certification services.
 - In terms of PVOC exemptions, we do our PVOC program in line with provisions of the law (Under Legal Notice no.78 that was gazetted in April 2020), that lays out the various ways KEBS deploys to assure the quality of imported products. We have certain exemptions that have already built into the legal notice which are exemptions for raw materials, machinery and spare parts for registered manufacturers.
 - What KEBS consider important is not just enhancing efficiency and faster movement of goods, but also how the businesses ensure the quality specifications and guarantee the quality of the final products. We find from audit that a significant number have not put controls to ensure conformity to specifications (whether raw materials or any intermediate product). Also, we'd like to seek guarantees the systems in place of the importers to ensure that they conform to specifications and requirements.
- Comments by Ms. Esther Ngari:
 - As a comment on the proposed KEBS roles in OSS, there're mix-up points on the issue of standards development and product certification, which have different processes. Also, under the SEZA proposal of level Authority granted by KEBS, the function of "ensure Kenyan Standard certification and facilitation of ISO standard certification"; we ensure that we have all the required national and international standards developed that will facilitate trade, but we need to

recognize that the certification to these standards is also a different process.

- For the standards development, we develop standards based on the request we have received, KEBS will need to receive the requests for standardization from SEZA so that KEBS can prioritize them and develop those standards
- Comments by Mr. Zachariah:
 - Regarding requests from SEZA, KEBS will be able to prioritize them and develop the standards required in those areas. In the area of facilitation, KEBS can provide the training on the application of the standards, as well as system certification.
- Comments by Dr. Henry Rotich:
 - KEBS can also provide testing services (even in MSA), metrology services where they do calibration and traceability of measurements
- Comments by Mr. Bernard Nguyo:
 - There are 3 aspects of collaboration between KEBS and SEZA:
 - i) KEBS will facilitate the development of standards in SEZ
 - ii) KEBS will be open to explore areas where they can offer training to business in terms of use of standards
 - iii) KEBS will do certifications for industries based on the requirements from the customers.
 - Product certification is also a service that KEBS can work with SEZA, and it may not require the KEBS staff to be stationed at the OSS. However, we can consider the evaluation collaboration, which entails quality products to be offloaded in Kenya or export within the EAC countries. there is a requirement that they are certified by KEBS.
 - The PVOC can also be identified as an area of collaboration with SEZA, and SEZA can guide the discussion on how to move on from this point.
- Questions and answers about MSMEs
 - We know that the center which will be established in Mombasa to support MSMEs. What kind of activities are expected in the center and is there any possible collaboration for SEZ and its center?
(Ms. Kaneko)
 - ⇒ The Biashara center in Mombasa has one stop concept for MSMEs that allows various agencies which have a role in facilitating trade or enabling manufacturing and supports MSMEs can access their services more conveniently. KEBS will create a common user facility (a room where we bring all stakeholders together and give them the infrastructure

they need for communication). For SEZ, we are looking at something broader and we need to have a discussion on the infrastructure support that SEZA would be able to accord to KEBS, for us to deploy our services in those areas. This discussion, in the long term will be more useful. (Mr. Bernard Nguyo).

⇒ In regard to the activities in the testing facilities, KEBS supports certification of products and imported goods into the country, and support quality control of private manufacturers who want to test their products. I suppose some of the activities can be required in DK SEZ as well. (Dr. Henry Rotich)

- Questions and answers about possible services provided in SEZ

- SEZ is the area which is supposed to make the businesses of enterprises easier in the area. As Mr. Nguyo mentioned infrastructures which were established in Mombasa to support MSMEs, is there any particular facilitations which KEBS require in SEZ to make the businesses of enterprises easier? (Eng. Murimi)

⇒ There may be services that may only be provided in location, for example manufacturing which may require testing and calibration, and on these areas, we can have a more detailed discussion with SEZA, to see what kind of infrastructural support KEBS will require, which will be informed by the target industries in particular sectors. (Mr. Bernard Nguyo)

⇒ As for the support of cluster development (MSMEs) by KEBS, Mr. Nguyo mentioned the importance of quality assurance for building controls, however, in SEZ, SEZA will provide all facilities to meet quality of standards in international standards. (Mr. Brian)

⇒ I meant quality assurance requested by PVOC exemption requirements. The concern is whether initial raw material which was imported is guaranteed and whether it is processed in appropriate manner. In order to ensure the quality of the materials and manufacturing processes, KEBS supports to find the location and establish the facilities. When SEZA wants to get exemption of PVOC programs, the facilitations provided by SEZA should meet the requirements.

(6) Way Forward

- The participants agreed that the further meeting with KEBS will be made to discuss details of collaboration for OSS in SEZ.

End of document

Meeting Memo of Thematic Meeting for DK SEZ

Date and time	19 May 2021 11.00-12:00 Kenya ST 17:00-18:00 JST	
Venue	Remote Meeting (Zoom)	
Topics	1. Background of Thematic meeting 2. KEBS Collaboration in Operationalizing OSS 3. Comments and Discussion	
Participants	SEZA	Mr. Njehia, Eng. Murimi
	KEBS	Mr. Bernard Nguyo (Acting Director, Quality Assurance & Inspection) Dr. Henry Rotich (Director, Metrology & Testing) Mr. Zachariah Lukorito (HOD Standards development and Trade) Ms. Nelly Mulema (Director, Human Resource & Administration)
	JICA Expert	Mr. Matsushima
	JICA Consultant team	Mr. Watanabe, Ms. Kaneko, Ms. Konaka Ms. Karen, Mr. Brian, Mr. Kinoti

Following agenda was discussed in the meeting.

(1) Background of Thematic meeting

- Eng. Murimi welcomed to the participant of the meeting and noted the meeting aims for collaboration between SEZA and KEBS.
- Mr. Brian explained about background of thematic meeting through power point slides.

(2) KEBS Collaboration in Operationalizing OSS

- Mr. Brian presented the revised proposed KEBS roles in OSS and collaboration areas between KEBS and DK SEZ and other SEZs for future purposes.

(3) Comments and discussions

- Mr. Nguyo commented following points:
 - Areas of collaboration such as No.2 of conformity assessment and exemptions are agreeable, however, we can improve on rather than proceeds, by reframing the areas of the framework of collaboration to provide service level of agreement with timeline or

efficiency.

- As of the framework of the KEBS duty, we need to agree when all the requirements have been met, how quickly KEBS provide the certification. Note that there is already a standard procedure, an international standard that governs product certification which cannot be revised through a collaborative framework
- Concern on the granting exemptions without head office: exemptions are a centralized activity so rather than KEBS deploying a mirror team at the SEZ, I think it would be more fruitful if we can agree on how fast KEBS can grant a response, once an application has been submitted by SEZ investor¹. The exemptions framework works, by first launching an application online. There is a team of various expertise that meet weekly, talking what is and what is not a raw material, and this team makes a decision to grant the exemption.
- KEBS requires presence at SEZ, for the purpose of expediting the process of services at SEZ, but we should not take that to revise our optimized working procedures for service delivery. We can agree on how quickly KEBS can process applications, similar to what we do with EPZ, where we have a coordinating framework which monitors how quickly we process an exemption application for an EPZ company.
- Mr. Lukorito added that when it comes to development of standards, we need to look at how fast we can deliver the standard for the identified products, as we want to look at how efficient the process can be and also agree on the deliverables.
- Mr. Brian noted where we need to propose timelines and how fast these roles will need to be expedited.
- Ms. Kaneko replied as follows:
 - JICA consultant team thanked KEBS colleagues and noted that we hope to make consensus on general areas of collaboration and service delivery in SEZs which will be illustrated in the MoU. Also, when it comes to detailed procedures, including how fast the process can be done, we can discuss in detail and put in Standards Operation Procedures (SOP).
 - To archive consensus, two stages for consultation will be proposed. First, discuss and agree on general terms of collaboration areas, then discuss and agree on detailed standards and procedures in terms of standards and inspection related issues.
- ✓ Question and Answer
 - How KEBS do the physical inspection process, and if there is any collaboration with other different government agencies such as KRA's Custom Department? (Ms. Kaneko)

¹ The intention of KEBS to deploying staff to SEZ needs to be confirmed in further consultations.

⇒ KEBS has a collaboration framework with other government agencies in terms of inspection. Under this framework we should have officers deployed at the zone, but there are various categories of agencies that undertake inspection for imported goods; there are the lead agencies (KEBS and KRA), then other regulators who have regulation for specific industries, such as Pharmacy and Poisons Board, Pesticides Product Control Board. At the ports of entry, inspection is undertaken by KEBS but they do their roles of pre-approvals and other activities of their regulatory mandate. KEBS works with the relevant regulators, and if they have a product of interest, we can do a common platform using a single window electronic system and KEBS is able to facilitate them to do any specialized inspection that they require. Hence, the framework of government agencies is already there. (Mr. Nguyo)

⇒ I noted and such information can be illustrated in SOP. (Ms. Kaneko)

- In regard to deploying KEBS staff to SEZ, such issue will be included in the MoU among other conditions and together with areas of collaboration; draft MoU will be presented to seek KEBS' review or guidance. (Ms. Kaneko)

⇒ MoU is still with SEZA officers for review, and after this meeting the document will be disseminated to KEBS officers for review. (Mr. Brian)

- Mr. Watanabe mentioned that the proposal from SEZA will be improved based on the comment and MoU will be shared to KEBS. Since MoU is very general, there will be another document showing the detail of the process and other main organizations which also collaborate with KEBS, which will come in next stage of our work. We will continue discussion together so that collaboration with KEBS is ready when SEZ opens.

(4) Way Forward

- Eng. Murimi thanked the KEBS team for their valuable input and noted that in the next engagements.
- The participants agreed that the further meeting with KEBS will be made to discuss details of collaboration for OSS in SEZ.

End of document



SPECIAL ECONOMIC ZONES AUTHORITY

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MINUTES OF THE THEMATIC MEETING WITH COUNTY GOVERNMENT OF MOMBASA, ON OSS AND INDUSTRIAL PARK DEVELOPMENT OF DONGO KUNDU SPECIAL ECONOMIC ZONE, HELD ON 30TH AUGUST, 2021 AT SEZA OFFICE, AT 12.00 PM, AND 6.00PM JAPAN TIME, VIA ZOOM

SEZA Member present

1. Mr. Njehia Chairperson

MOITED Member present

1. Mr. David Rono (County Industrial Development Officer, Mombasa Office)

Mombasa County Government members in attendance

1. Mr. Joab Tumbo (Chief of Staff and County Secretary)
2. Ms. Asha Abdi (C.O., Trade, Tourism and Investment),
3. Mr. Farah Mohammed (C.O., Water Sanitation and Natural Resources)
4. Ms. Ilhan Abass (C.O., Environment, Waste Management Solid Waste and Climatic Change)
5. Ms. June Mwajuma (C.O., Lands, Planning & Housing)
6. Mr. Hamisi Mwangya (Office of the Governor, Advisor Urban Development and Planning)
7. Ms. Maryam Mbaruk (CEC, Finance and Acting COO for Water Sanitation and Natural Resources)
8. Mr. Godfrey Nato (CEC, Environment, Waste Management and Energy)
9. Mr. Abdulsalam Omar (Director, Climatic Change)
10. Eng. Albert Keno (C.O., Transport)
11. Ms. Binty Omar (Office of the Governor, Advisor, Water, environment and Climate Change)
12. Mr. Thomas Chula (C.O., Infrastructure and Public Works)

*Note C.O is abbreviation of Chief Officer

JICA Expert in Attendance

1. Mr. Kiyonori Matsushima

JICA Consultant team in Attendance

1. Mr. Akifumi Watanabe- Project leader

2. Ms. Kazuyo Kaneko
3. Dr. Xiangwang Meng
4. Ms. Kunika Konaka
5. Mr. Brian Muli
6. Mr. Ernest Kinoti
7. Ms. Karen Kamau

AGENDA

1. Purpose and outline of thematic meeting
2. Updated information sharing on the IP plan
3. Status of establishment of One Stop Service (OSS)
4. Role of Mombasa County Government (Construction Permits, Water Sewerage and Solid Waste)
5. Comments and discussion
6. AOB

Following agenda was discussed in the meeting.

(1) Purpose and outline of thematic meeting

- Mr. Watanabe briefly introduced the team members and explained about the agenda of the meeting.

(2) Updated information sharing on the IP plan

- Mr. Njehia shared an update of the result of topographic survey in DK SEZ, and also reported the updated land use plan and infrastructure plans.

(3) Status of establishment of One Stop Service (OSS)

- Mr. Njehia explained that the JICA consultancy is undertaking the establishment of OSS, and explained the stages for establishment of OSS in DK SEZ.

(4) Role of Mombasa County Government (Construction Permits, Water, Sewerage and Solid Waste)

- Mr. Njehia explained that the role of permit and license for construction and change of land use are under the Mombasa County Government (CG), and there will be consultation between SEZA and CG.
- Mr. Njehia shared the estimates of water demand, wastewater output and solid waste

output within IP Zone and explained the points of discussion.

- Mr. Njehia also shared the way forward for further discussion on infrastructure management and application for IP Zone land use plan.

(5) Comments and discussion

Following questions and discussion were held.

【Comment on IP Planning】

- ✓ Comments on cross-section of road design
 - In regard to the cross-section of the road design, the plan didn't show any provision for pedestrian walkway, vegetation and trees on the road, which is a perquisite requirement for road design. (Thomas Chula, C.O., Infrastructure and Public Works)
 - ⇒ Dr. Meng noted that the project provides a pedestrian space on the cover of the drainage pipe, and this will be provided for in the drawings. Also, trees on the middle of the road median and the two sides of the road will be included. (Dr. Meng)
- ✓ Comments on powerlines
 - Could the overhead powerlines be taken underground because the strong winds that blows in Mombasa causes a lot of power outages. Where we have major developments, we request that the promoter puts the powerlines under. (Eng. Albert Keno, C.O., Transport)
 - ⇒ Dr. Meng noted that while the powerlines could be put underground, the design to put them overhead was done to reduce the investment costs. The recommendation would be followed up with SEZA. (Dr. Meng)
- ✓ Comments on water supply
 - Currently the whole of Likoni Subcounty receives less than 2000m³ of water while the presentation showed that IP Zone requires 4,000m³. CG plans to increase it by a further 1,600m³. We need to strategize because the current water supply would not be able to sufficiently serve the IP. We are also working with the National Government on a dissemination plan which might bring around 30,000m³. (Mr. Farah Mohammed, O.C., Water Sanitation and Natural Resources)

⇒ IP Zone needs 4000m³/day when the site is at full operation, so this demand will depend on the speed of development, which will be phase by phase. Although it is still discussed with SEZA, probably IP Zone initially requires 1,000-1,500m³/day. As you suggested, receiving the water from different sources is also possible. (Dr. Meng)

✓ Comments on environmental measures

- Following questions and comments were provided by Abdul Salam, Director Climatic Change.

- 1) In regard to the project layout, the coverage of mangrove is being cleared for the development, which makes the County vulnerable to effects of Climate Change.
- 2) In regard to waste generation, there is a lot of marine littering happening in our marine environment; How will the storm water drainage being designed protect the issue of segmentation as we have life below the water? In addition, the marine system also supports livelihoods like fishery and people who depend on the mangrove ecosystem. How will this project support the restoration effort for mangrove beyond the boundary of the project?
- 3) It is necessary to improve our infrastructure in terms of the dumpsites, which are in a poor sanitary state. How will this project support the upgrading of the current dumpsites?
- 4) For climate appropriate infrastructure, how can this project withstand in case issues of climate change, like the sea level rises?

⇒ Most of these points have been considered in the DK SEZ Master Plan done by JICA (which can be shared with you) and some considerations were taken when the strategic environmental impact study was done. (Mr. Njehia)

⇒ This project is located inland and it will not have a direct impact on the mangroves. However, there is one project under design stage which is Port DK-1(Yen Loan) and the team is conducting some survey on both land and sea in terms of environmental impact.

In regard to challenges on the dumpsites in Mwakirunge and Likoni, it is important to discuss sector-wise so that our team can understand the challenges that CG is facing and also, can introduce our idea of how it should be managed.

Specific sector discussion will be conducted after this meeting, hopefully several times within this year. (Mr. Watanabe)

【Comment on Management】

✓ Comments on technical committee

- It is important to get clarity on the role the CG plays during the operational phase of this project particularly on issues of licensing, operating the water system, solid waste, sewer waste and the road infrastructure projects. My proposal is to have a technical committee, composed by SEZA, CG and JICA consultant team to address these issues. (Ms. Asha Abdi, C.O., Trade, Tourism and Investment)

⇒ The issue of the role of CG will be a continuous engagement between the county, SEZA, JICA and also National Government. I agree it is important to have a working technical committee. (Mr. Njehia)

⇒ During the technical committees, it will also be quite important to factor in MOWASSCO (Mombasa Water Supply & Sanitation Company), CWWDA (Coast Water Works Development Agency) as important stakeholders especially when it comes to operation & maintenance of water supply and distribution systems as well as management of the sewer plant. (Ms. Maryam, CEC, Finance and also Acting COO for Water Sanitation and Natural Resources)

⇒ Those agencies are the final implementor of the project, so they also need to be part of the technical team. (Mr. Njehia)

✓ Comments on seconding staff to OSS

- Is there a possibility for the CG to second some officers drawn from those functions, to give support in your offsite office in Nairobi? (Ms. Asha)

⇒ Currently SEZA has not started deploying officers in this OSS, and only KenInvest OSS has some officers. When officers are required, SEZA will inform to CG. (Mr. Njehia)

✓ Comments on development timeline

- What is the current status of implementation and timeline for development?
(Ms. Asha Abdi, C.O., Trade, Tourism and Investment)

⇒ SEZA is looking at 2 years for the completion of the admin block and soon we will start allocating the plots, which are already subdivided and starting lease these plots to investors. At that point, the investors will start approaching you for support, such as approval of building plans. (Mr. Njehia)

(6) **Any other business**

- As per the enquire of possibility of having face-to-face meeting with CG, Mr. Joab responded that they would limit the numbers of physical attendance to less than 10 people.
- Ms. Asha suggested that after this meeting, Mr. Joab to send to SEZA/ JICA consultant team the proposal of selection of the technical committees, so that SEZA/ JICA consultant team can nominate the members who will participate the virtual platform discussions. This was agreed by Mr. Joab.
- Mr. Watanabe thanked the attendants from CG, and noted to have technical meetings particularly on the planning aspect and the management aspect.

End of document

SIGNED

Mr. Joab Tumbo

The County Secretary, County Government of Mombasa



Date.....

24/9/2021

SIGNED.....

Mr. Lewell Njehia, Ag. Technical Manager- Special Economic Zones Authority

A handwritten signature in blue ink, appearing to read 'L. Njehia'.

Date.....

24/9/2021

Memo of Thematic Meeting with KRA on Draft SOP Presentation for KRA Review

Date and time	3 November 2021 10:00- 11:00 Kenya	
Venue	Forodha Hse, JKIA and via Zoom meeting	
Topics	1. SOP Discussion: Fiscal Incentives & Cargo Handling 2. Way forward	
Participants	KRA	Ms. Kellen Njeru- Manager, Bonded Facilities (SEZs, EPZs and bonded warehouses) -Nairobi region Mr. Richard Kibor- Deputy Manager, Bonded Facilities Mr. Crispin Nzioka – Resident Officer- SEZ Tatu City
	SEZA	Mr. Gitau (via online)
	JICA Expert	Mr. Matsushima (via online)
	JICA Consultant team	Ms. Kazuyo, Mr. Brian and Ms. Karen (Taking minutes)

Following agenda was discussed in the meeting.

- 1 Introductory remarks by Ms. Kellen welcoming participants to the Thematic meeting.
- 2 Concept note. Ms. Kazuyo gave a brief introduction of the DKSEZ project explaining what has been achieved, and noted the purpose of the meeting is to discuss on the OSS in IP in DK SEZ.
 - Ms. Kazuyo explained that the team is currently working on the compilation of all the information in relation to necessary processes and procedures on licenses and permits. She noted that today’s discussion will focus on SOP Document Chapter 4(Fiscal Incentives) and Chapter 7 (Cargo Handlings) which are the main areas that KRA is responsible for.
- 3 SOP Presentation. Mr. Brian presented the SOP document, outlining the contents and layout of the draft SOP and also explained the information collected so far on Customs.

Comments on Fiscal Incentives

Ms. Kellen welcomed the compilation of KRA Fiscal Incentives in the SEZ Framework so far.

- The KRA team clarified that import duty and tax exemption on imported SEZ consignments can be facilitated by KRA customs. In addition, the team noted that KRA exemptions are done at Times Tower and the agent needs to furnish all documents.

Comments on Cargo Handling

Below are comments made by the KRA team regarding the Cargo Handling section:

- Consignments have to be loaded in a truck which is monitored and must have the Cargo Monitoring device. Also, the stuffing and the sealing will have to be done inside the SEZ.
- The challenge observed has been SEZs not submitting the master list to customs once they receive it from SEZ enterprise.
- Addition of cancellation of bonds: The issue of cancelling of bonds is not covered which is

very crucial as it touches on compliance issues.

- Customs officers need to be notified while the consignment is overseas, so that they can plan to receive it.
- In addition to this, there has been challenges of compliance in the SEZs, whereby facilities are not following the due process. Every process should be transparent so that customs can check. For instance, when enterprises cease to operate, they need to provide the list of equipment.
- It was observed that the SOP document should include purchases from customs territory to SEZ. Also include:
 - What happens when goods are imported from SEZ to customs territory.
 - What happens when an investor in the SEZ ceases operations?
 - Transfer from SEZ to SEZ, as the investor need to know bonds will be executed to cover any taxes.
- KRA team recommended to ensure that DK SEZ has been gazetted by Customs as per the gazettement KRA guidelines on SEZ operations.
- In addition to this, upon gazettement by Custom, a resident officer should be posted there, who will oversee movement of consignments including construction material.

Reaction comments

- Mr. Brian noted that the team is working on a process mapping exercise to understand the customs clearance process in a practical approach, and will also engage customs further.
- Ms. Kazuyo thanked the KRA team for their valuable input, and sharing their experience and lesson learnt, which will enable us reflect into this SOP, to include all the necessary information in this document.
- Ms. Kazuyo noted that the consultant team is planning to organize a small workshop to validate the whole document with a focus on the KRA related issues.

After we revise the document based on KRA comments today, we will present the final draft of SOP within this November. (Ms. Kazuyo)

- Mr. Kibor also remarked that we should include an officer from Exemptions and Customs Policy, in our next meeting.
- It was agreed that Mr. Brian will share the Customs Clearance chart already prepared to the KRA officers for review.
- Ms. Kellen appreciated the SOP document and the progress made, and noted that their team will be available for the workshop.

Way forward

- JICA Consultant team proposed for a workshop with KRA this month to present the updated SOP document for review and comments (Date to be advised)



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MINUTES OF THE TECHNICAL REVIEW, HELD ON 22ND NOVEMBER, 2021 AT KRA, DOMESTIC TAXES DEPARTMENT, 12TH FLOOR AT 10.00 AM

KRA

1. Mr. John Gathatwa Ag. Deputy Commissioner Policy & International Affairs, Customs Border Control (Chair of meeting)
2. Ms. Margaret Karanja Chief Manager, Exemptions Domestic Taxes
3. Mr. Victor Odede Manager, Domestic taxes (DTD)
4. Ms. Sally Lumadi Manager, Legal-Policy Division, Customs & Boarder Control
5. Mr. Crispin Nzioka Resident Officer, SEZ Tatu City
6. Ms. Carolyne Wanyoike Supervisor, Licensing, Customs & Boarder Control
7. Ms. Elizabeth Mwambingu Assistant Manager, Policy and Tax Advisory (DTD)
8. Ms. Jane Maingi Officer, VAT Exemptions (DTD)
9. Ms. Patrick Omondi Assistant Manager, Policy and Technical Support, Policy Division, Customs & Boarder Control
10. Ms. Risper Owino Supervisor, Customs & Boarder Control (Taking minutes)
11. Mr. Festus Were Supervisor, Strategy Innovation and Risk Management
12. Mr. Leonard Cheserem Supervisor, Strategy Innovation and Risk Management
13. Mr. Aquillino Mwithahi Assistant Manager, Border Control & Enforcement-Customs & Border Control

SEZA

1. Mr. Francis Gitau Acting Technical Manager

JICA Consultant Team

1. Ms. Kaneko Kazuyo Deputy Team Leader/SEZ Implementation/SEZ Management
2. Mr. Brian Muli Project Coordinator
3. Ms. Karen Kamau Assistant to the Technical Assistance Team (Taking minutes)

Min 1/22/11/2021: Opening Remarks and Self- Introduction

The meeting was called to order at 10:15 am by the Chairperson. Introductory remarks were provided welcoming participants to the Technical Review meeting.

2/22/11/2021: Overview of the SEZ Programmer and OSS

SEZA gave a brief introduction of the overall program of Special Economic Zones (SEZs) in Kenya and shared the list of gazetted SEZs in Kenya. SEZA thanked KRA for providing the support in operationalizing this program, and noted that the clarifications and comments from this forum, can assist to have a document that can be adapted as a Standard Operating Procedure (SOP)

Min 3/22/11/2021: Presentation of the draft SOP and Plenary

1. The JICA Consultant team shared a brief presentation of the Dongo Kundu SEZ project in Mombasa, and explained the outline of the project, establishment of OSS and the framework for operationalizing OSS. Consequently, they explained that the team has had a series of stakeholder meetings with key partner agencies, and MoUs were drafted and presented to the respective organization. Through the project implementation, the team is currently working on the compilation of all the information in relation to the necessary processes and procedures on licenses and permits in Standard Operating Procedures (SOP), for efficient operation in SEZs.
2. Today's discussion will focus on SOP Document Chapter 1(Import and Export Code) and Chapter 4 (Fiscal Incentives) and Chapter 8(Freight Forwarding and Cargo Handlings).
3. Presentation of the SOP draft document outlining its contents and layout, particularly the issuance of an SEZ license and acquisition of an Import & Export code, was done.

The KRA team made the following observations and comments:

- a) More consultations and engagements are required to understand the operations of SEZs in detail and also how KRA will look at the processes. Need to understand the functions of the Special Economic Zone Authority. For example, the role of SEZA to facilitate the needs of SEZs to be broadened for our understanding.
- b) The VAT Act has already provided for zero rating of supplies imported to the SEZs, and KRA need to look at the implications of this, from the perspective of Tax

expenditures as the Commissioners are required to account for every tax waiver granted.

- c) The proposal to convert this meeting into a committee to include KRA, SEZA and JICA Consultants, was tabled.
- d) In regard to the licensing (No.6), KRA clarified that they have so far facilitated one SEZ enterprise who has fulfilled all requirements. However, for SEZ developers, KRA needs to review some guidelines.
- e) It is observed that this SOP document, is purely on customs perspective, and what about services where an SEZ is purely service based like tourism, leisure.
- f) Probably as part of the requirement before registration, there is need for a feasibility study for KRA to see the liability of some of these SEZs being registered, to avoid some being white elephant projects.
- g) Need to internalize the contents in Gazette Notice No.659, as concerns Administration. There are a lot of frameworks in Government governing the zero-rating procedures of both imported and locally sourced items. One of the requirements is the tracking of the items that are subject to zero-rating and maintain stock records of all receipts. KRA team to go through the guidelines, and see so that they do not end up with procedures not supported by law, as they put in an administrative procedure.
- h) The Treasury guidelines require that all projects that are beneficiaries of zero-rating are inspected by a team of Government and KRA officials, and a report signed to that effect.

Also, in the PFMA Act, Section 77 & 82, the receivers of revenue are supposed to account, as this is a constitutional requirement. SEZA to check whether where they issue exemption letter directly to the suppliers who are continuous suppliers to SEZs, and should provide periodic reports.

- i) KRA has a monitoring role, reporting role and processing role; Consequently, they need to have a resident officer responsible for operation of SEZs, and a satellite officer.
- j) It will be important to do a model SOP that will apply across all light industries in SEZ. Then the details for DK SEZ need to be unpacked, so that KRA can look at the background information against the document and understand what this zone is all about.
- k) KRA team clarified the Acts in the SOP document as VAT Act 2013, Income Tax Act, Cap 470, and excise Duty Act 2015

SEZA Reaction Comments

- a) SEZA responded to KRA comments that we need to have future engagements to draw procedures that will enable us to promote investments to SEZs.
- b) These incentives are mainly expected at the development phase when the developer is setting up.

Action Items for SEZA management

- i. SEZA to think about the Kenyans coming for services in SEZs and paying for the full charges (including tax) yet the international tourist is not charged VAT.
- ii. SEZA needs to critically analyze the issue of selling housing within SEZs like Tatu to the licensed operators, and not the local Kenyans, which will be discussed in the next meeting. KRA team observed that SEZA need to allow the locals to access those facilities, and figure out how to deal with the tax components.
- iii. SEZA to think careful about the service provision in all the services the SEZs are doing.
- iv. SEZA should have a framework with priority sectors, and preferred sectors, and maybe define the framework for each sector. For KRA to be able to give valuable input to this document, they need to have that background information, with respect to sectors that have been identified for consideration for SEZs. Then they can look at each sector and what it means to our tax administration.

Reaction Comments

- a) The JICA Consultant team responded that the objective of this SOP document is mainly to incorporate the information in relation to manufacturing and targeting the light industries and our focus is on the SEZ enterprises.
- b) Consequently, SEZA noted that this SOP is focusing on manufacturing and tradable goods SOP, but in the future, SEZA will continue building on this document to having a well elaborate detailed SOP that will guide all the operations in a special economic zone
- c) SEZA welcomed the issue of retreat, as this will help them have clarity and a standard model. SEZA is very keen to facilitate the investors, and are open for meetings or a retreat.
- d) KRA commended SEZA and the JICA Consultant team for the good work on the SOP.

The KRA Chair noted that the Consultant team can now move forward with DK SEZ.

- e) The JICA Consultant team remarked that they are planning to finalize this document by mid-December, and also noted that the information included in this SOP can be applied to the various SEZs, and not only DK SEZ.

Min 4/22/11/2021: Way Forward

1. Follow up Technical Review Meeting: 7th December 2021 at KRA offices.
2. Both KRA and SEZA to constitute its secretariat.
3. Deliberation on setting up of working group/committee between SEZA and KRA

There being no further business to discuss the meeting was adjourned at 2.00 pm.

SIGNED

Date.....

Mr. John Gathatwa
Chairman- Technical Committee

Signed.....

Date.....

Mr. Francis Gitau
Ag. Technical Manager-SEZA