



## Call for Expression of Interest for Consultancy Services to Undertake an Assessment of the Regulatory and Fiscal Environment for Plastics Industry in Kenya

<b>Organization</b>	Kenya Association of Manufacturers
<b>Project</b>	Overview of policy & regulatory framework for the Plastics Industry in Kenya
<b>Position</b>	Technical Support
<b>Duration</b>	60 days
<b>Reporting to</b>	Head of Policy Research and Advocacy Unit (PRAU)
<b>Starting date</b>	October
<b>Application deadline</b>	27 <sup>th</sup> September 2024

### I SUMMARY OBJECTIVE OF THE ASSIGNMENT

The Kenya Association of Manufacturers (KAM) aims to articulate the industry's position on the current taxation structure and policy formulation related to plastics and rubber products. Currently, plastic products face numerous policy directives, including a ban on primary packaging and 100% transition to biodegradable solutions. Additionally, various taxes including excise duty ranging from 10% to 25% on plastic products and VAT on recycling plants and machinery, have been introduced. Manufacturers have expressed concerns about the mixed impacts of the policy changes on local manufacturing. Conversely, the government has expressed its intention to further raise taxes on plastics as part of its efforts to promote environmental sustainability.

As such, KAM Plastics and Rubber Sector intends to conduct an industry-wide verification mission to assess the country's capacity to produce and supply different types of plastics, assess the demand, transition mechanism, examine the environmental impact, and analyze the recycling ecosystem for these products. This verification exercise will serve as a critical reference point for developing more effective fiscal and regulatory policies that support local manufacturing of plastics without compromising environmental sustainability.

### 2 About KAM

The Kenya Association of Manufacturers (KAM) was established in 1959 as a private sector body and has evolved into a dynamic, vibrant, credible, and respected business membership association that unites industrialists and offers a common voice for businesses. KAM plays a key advocacy role on behalf of manufacturers in Kenya by providing an essential link for cooperation, dialogue and understanding with the Government and related agencies. KAM has over 1,500 members spread across 13 value-add sectors, including the Plastics & Rubber Sector. The Association represents over 40% of Kenya's manufacturing value add industries. KAM also represents Kenya's manufacturing sector interests in the region and beyond, including the East Africa Community



(EAC). To achieve its core mandate of policy advocacy, KAM promotes trade & investment, upholds standards and encourages the formulation, enactment & administration of sound policies that facilitate a competitive business environment that is cost effective in doing business.

### 3 Background

The plastics and rubber sector comprises of 6 sub-sectors: flexible packaging, rigid packaging, woven and non-woven, rigid plastics, Polyethylene terephthalate (PET) and Rubber with a current membership of over 110 companies. The industry has experienced various policy changes that have negatively affected local manufacturing. Notably, over the last 10 years, the sector has faced inconsistent policy changes, including the enactment of the Sustainable Waste Management Act 2022, taxation of recycling plant, machinery & equipment, and single-use plastics bag ban in 2017.

These policy changes have led to a lack of investor confidence, negatively impacting the growth of the industry, government revenue and employment. Kenya has witnessed a mass movement of capital to neighbouring countries, with more than 20 companies closing their businesses in the last two years. However, the exact impact of these policy changes on local manufacturing, job creation, government revenue and environmental sustainability remains unknown due the lack of a centralized information management system.

It is against this background that KAM Plastic sector seeks to engage a consultant to undertake an industry-wide survey of the plastics industry in Kenya to gather information and provide statistical insights on local investment, jobs, revenue opportunities and challenges. As fact-based advocacy organization, this information will be useful in shaping national and sub-national policies on investment, regulation, and taxation of plastics sector, with a view to promoting industry growth and environmental sustainability.

Specifically, the survey will seek to;

- Provide an overview of the plastics industry in Kenya,
- Evaluate the impact of past policy and regulatory directives to the industry such as plastic bag ban, Extended Producer Responsibility,
- Highlight recent trends, challenges, and opportunities within the industry e.g Global plastics treaty, extended producer regulations, design of eco-friendly materials etc

### 4 Objective

The industry has experienced various policy changes that have had negatively impacted local manufacturing. Notably, in the last 10 years the sector has been faced with inconsistent policy changes including enactment of the Sustainable Waste Management Act 2022, taxation of recycling plant, machinery & equipment and single-use plastics bag ban in 2017. The policy changes lead to lack of investor confidence negatively impacting the growth of the industry, government revenue and employment



KAM is therefore seeking the services of a qualified professional to undertake an in-depth analysis of the plastic industry in Kenya, highlighting various policies, taxes and regulations (both national and international), and prepare a report with recommendations with a clear implementation framework.

The specific objectives are outlined as follows;

- Provide technical analysis of the plastics value chains in Kenya
- Undertake a comparative review of policy and regulatory framework in the plastics sector in Kenya and the region
- Analyze the demand and supply trends of plastic products in Kenya and the region
- Evaluate the plastic waste management practices, investment and environmental impacts.

## 5 Scope of Work

The scope of work will cover the following areas:

1. Design data collection tools for industry study
2. Define and cluster various sub sectors of plastic industry for data collection and analysis
3. Review the applicable legal, regulatory and policy frameworks for the plastics industry to identify fundamental principles as put in place by the government. This will entail an analysis of the laws, regulations and policies that govern the industry - both national and international.
4. Conduct an impact assessment of the implementation of government policies and directives identifying challenges that limit its ability to meet desired objectives.
5. Undertake the industry's readiness assessment on implementation proposed and scheduled government policy directives and its impact
6. Provide case studies and comparisons using relevant jurisdictions on identified and agreed policies and regulations.
7. Identifying technological innovations and alternative materials within the industry locally and internationally.
8. Document Sector's economic contributions- taxes, revenue and employment.
9. Document Exports and Imports performance (Key exports and destination. Key raw materials and sources).
10. Identify and document Opportunities for additional investments.
11. Analyze the economic contributions and employment generation from the industry
12. Examine consumer behavior and perceptions towards plastics and sustainable alternatives. Validate the findings and recommendations with key stakeholders including industry and relevant government agencies to enhance the content and findings of the research.
13. Disseminate the findings.

## 6 Expected outputs.

The following are the expected outputs:



1. An Inception Report detailing an understanding of the work, the appropriate methods to be used to develop the research, and a suitable Work Plan – to be prepared after the inception meeting with KAM and a technical stakeholder committee.
2. A desk review brief of the applicable laws, regulations and policies governing the plastics industry and emerging global practices and trends, an impact assessment of policies on employment, investments and industrial growth, adoption of technology and innovations, and implementation, and a comparison with other countries that are implementing and adopting policies on plastics management that will guide the contents of the publication.
3. A draft Study report for review and validation by the Technical Committee is developed.
4. A final research report: incorporating feedback and presenting comprehensive findings, conclusions, and policy recommendations.
5. Abridged version of the final research report.

## 7 Timeframe and implementation schedule

The consultant will work under the overall supervision of the Kenya Association of Manufacturers. The consultancy is to be performed for **Sixty working (60) days, starting in October 2024.**

The proposed timeline excludes the time gap between relevant meetings between the consultant and stakeholders; as well as the time that may be required for KAM to review the output for approval purposes.

Task/Milestones	No of Days	Deliverables
An Inception Report detailing understanding of the work, the appropriate methods to be used, data collection tools, and a suitable Work Plan – to be prepared after the inception meeting with KAM and a technical stakeholder committee.	7 days	Inception Report
Desk review focussing on: <ul style="list-style-type: none"> <li>• applicable laws, regulations and policies on plastics industry.</li> <li>• emerging global practices and trends</li> <li>• impact assessment of policies on employment, investments and industrial growth,</li> <li>• adoption of technology, innovations, and implementation,</li> <li>• Regional comparative analysis of the regulatory and fiscal framework on plastics industry.</li> </ul>	30 days	Draft I of the research study Report.



Industry verification visits to assess investment, production capacity, market access, employment etc.		
A draft Study report for review and validation by the Technical Committee is developed	10 days	Facilitation and Presentation (power point) Feedback report from forums.
Final research report: incorporating feedback from technical committee	10	Draft 2 of the research study incorporating feedback.
Abridged version of the final research report	2	Final research study
Presentation at the Launch to disseminate the study	1	Facilitation and Presentation (power point)
<b>Total number of months</b>	<b>60 days</b>	

## 8 Qualifications of the Consultant

The consultant (Individual or Firm) must have extensive experience in research, international trade, manufacturing process and clear understanding of wide usage or application of various plastics products in the industry. In addition, the expert should have the following:

### 8.1 Academic Qualifications Requirements

1. Have a bachelor's degree in a Chemical related field or any other relevant with a bias in Plastics Industry.
2. Be a holder of a master's qualifications in Trade Policy or a PhD in Trade Policy would be an added advantage.

### 8.2 Experience requirement

- a) A good understanding of the plastics products manufacturing and their various uses
- b) Good knowledge of plastics processing, batch manufacturing/processing in all its aspects including quality properties
- c) Strong analytical and report writing skills
- d) Experience in policy formulation and development.
- e) Good understanding of Regional and Domestic taxation environment
- f) Ability to engage with a cross-section of stakeholders in the public and private sectors
- g) Experience in circular economy and ESG will be an added advantage.

## 9 Proposal content

### 9.1 Technical Proposal

The Technical Proposal should include the following details:



- a) A detailed profile of the expert, demonstrating years of experience in operations as an expert in the required field.
- b) Provide evidence of similar assignments, with a focus on technical advisory services on related assignments
- c) Samples of at least two assignments which the expert has carried out in related field of engagement.
- d) A detailed CV stating academic qualifications, relevant experience, experience in producing research products, data collection and analysis skills and the overall technical capacity of the individual expert.
- e) A description of the proposed approach and methodology including, (i) the individual expert's understanding of the objectives of the assignment, (ii) the approach to be taken to deliver the services, and (iii), the proposed work plan which includes the main activities of the assignment, their content and duration, milestones, and report delivery dates.
- f) Technical capacity of the individual expert.

## **I0 Financial Proposal Requirements**

The expert shall provide the total professional fee, inclusive of taxes and any disbursement costs in Kenya shillings.

## **I1 PROPOSAL EVALUATION AND AWARD**

KAM will evaluate all proposals submitted and award the contract based on both the technical and financial feasibility. KAM reserves the right to accept or reject any proposal received without giving reasons and is not bound to accept the lowest or the highest bidders.

## **SUBMISSION OF DOCUMENTS**

Qualified individuals should submit the following **MANDATORY** documents alongside other application requirements:

- i. Copy of Company Registration certificate
- ii. Company CR12
- iii. KRA PIN Certificate
- iv. Valid Tax Compliance certificate

## **I2 Application for technical support**

Interested individual experts are requested to submit separate technical and financial proposals to [procurement@kam.co.ke](mailto:procurement@kam.co.ke) on or before close of business 27th September 2024 stating "Technical Support – Expert in Plastics .



Interested consultants or entities are requested to submit technical and financial proposals to [procurement@kam.co.ke](mailto:procurement@kam.co.ke) by **27th September 2024** stating, **“KAM PLASTICS INDUSTRY STUDY”**.

**KAM Physical address:** KAM Procurement  
Kenya Association of Manufacturers  
KAM House  
Mwanzi Road, Opposite Westgate Mall  
P.O Box 30225 -00100  
Nairobi

***Please note only successful candidates will be contacted.***