Policy Monitor

Supporting Sustainable Development through Research and Capacity Building

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SUSTAINING DEVELOPMENT MOMENTUM IN THE ELECTIONEERING YEAR AND BEYOND

POLICY *Monitor*

VISION

An international centre of excellence in public policy research and analysis

MISSION

To provide quality public policy advice to the Government of Kenya by conducting objective research and analysis and through capacity building in order to contribute to the achievement of national development goals

Contents

Editorial

Welcome to the KIPPRA Policy Monitor, the January-March 2022 edition. The theme of this edition is ***"Sustaining Development Momentum in the Electioneering Year and Beyond".*** This edition comes at a time when Kenya is still feeling the effects of drought condition, undergoing reforms in energy sector, and gearing up for the general elections in a few months. The articles are, therefore, focused on measures to promote growth during and after the electioneering period.

The main articles in this edition focus on the following: Recent Economic Developments; Drought Conditions and Conflicts in Pastoral Systems in Kenya; Powering the Economy with Sustainable and Efficient Electricity Services in Kenya; and Economic Activity in an Electioneering Period.

The Policy Monitor also highlights KIPPRA's demand-driven and collaborative projects, such as the development of a Local Economic Development Plan for Kisumu County and a study on Urban Economic Growth in Africa with a case study for Nairobi County, which is conducted in collaboration with the Africa Growth Initiative at Brookings Institution. Preliminary findings from this study, and the Kisumu County Local Economic Development Plan, will be presented at the Africities Conference in Kisumu, which will take place from the 17th to 21st May 2022.

In fulfilment of its mandate of sharing research findings, the Institute undertook various activities, including the launch of the Kenya Economic Report on 10th February 2022 themed "Kenya in COVID-19 Era: Fast-Tracking Recovery and Delivery of the Big Four Agenda; the dissemination of the County Business Environment for MSMEs in Kenya and the Public Affairs Index, on 28th and 29th March 2022, respectively, and the youth employment creation workshop, which was held on 18th March 2022.

As part of its capacity building programme, the Institute held the KIPPRA Mentorship Programme for Universities (KMPUs) at Turkana University College, Kabarak University and University of Embu. A lecture on the role of institutions in development was delivered to the KIPPRA Young Professionals by Prof Kunal, Director UNU-WIDER.

Finally, the Policy Monitor highlights key policy news at domestic, regional, and international levels, and legislative developments at the National Assembly and the Senate. It concludes with upcoming KIPPRA events including the 5th KIPPRA Annual Regional Conference and KIPPRA Silver Jubilee Celebrations planned for June 2022.

On behalf of the KIPPRA fraternity, we hope you will be informed as you read this edition.

image: Freepik.com

Recent Economic Developments in Kenya

By James Ochieng', Aldrine Kimtai, Veronicah Negar and Valarie Nyachieo

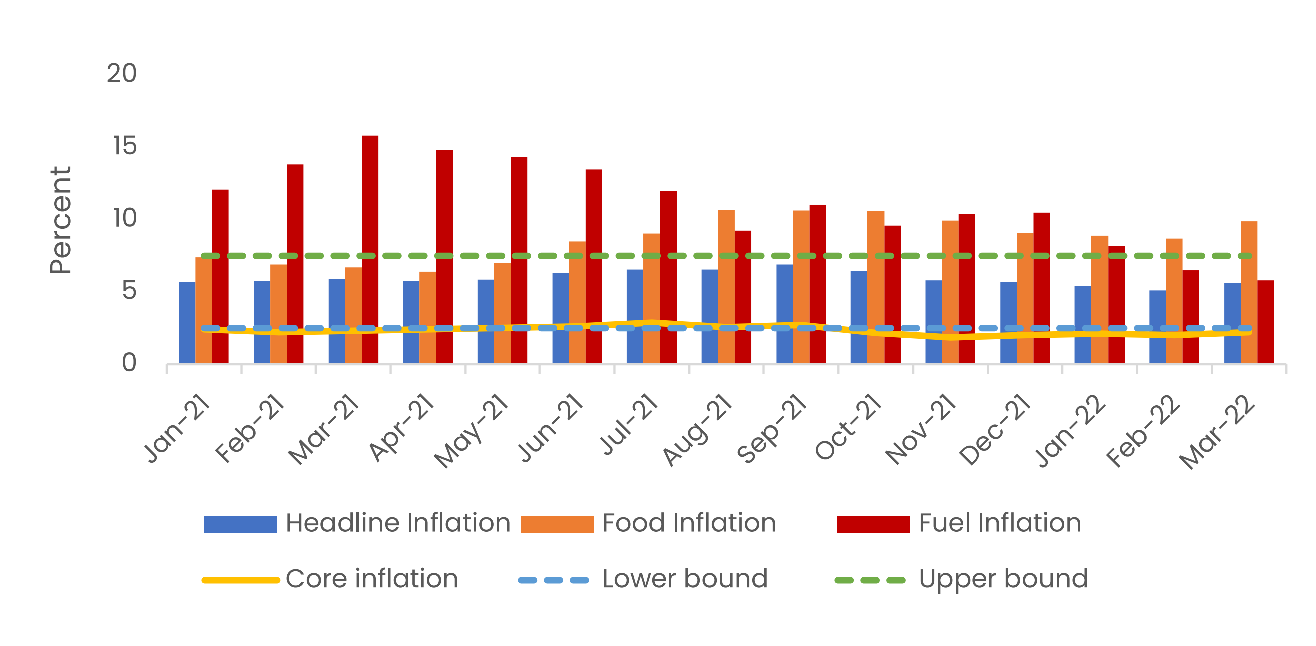
Introduction

This article analyzes the country's recent economic developments with a focus on four key areas: the growth of economic activities, monetary and financial policy, fiscal developments, and the external sector. It is also important to note that the Government officially launched the preparatory process of the Fourth Medium-Term Plan (MTP IV) 2023-2027 of the Kenya Vision 2030 on 2nd February 2022. The theme for MTP IV is to Accelerate Socio-economic Transformation to a More Competitive, Inclusive, and Resilient Economy. The county consultative forums were concluded in early April 2022.

Growth of Economic Activities

The economy is expected to grow by about 7.6 per cent in 2021 as key sectors of the economy registered progress in the recovery from the effects of COVID-19 pandemic. In the third quarter of 2021, the economy grew by 9.9 per cent, a decline from 11.9 per cent in the second quarter of 2021. The 9.9 per cent growth is higher than 1.1 per cent from a similar quarter in the year 2020. The growth expectation is attributed to good performance of some key sectors in the economy with impressive growth from manufacturing (9.5%), education (64.7%), transport and storage (13.0%), accommodation and food serving activities (24.8%) and financial and insurance activities (6.7%). However, there was dismal performance in the agriculture, forestry and fishing sector that contracted by 1.8 per cent due to unfavourable weather conditions, which saw a decline in fruits, tea and coffee production. The poor performance of the sector was reflected in a significant decline in fruit exports, cane deliveries, tea production and coffee exports. The volume of fruit exports and cane deliveries declined by 19.9 per cent and 5.6 per cent, respectively, in the third quarter of 2021 compared to a similar quarter in 2020. Similarly, production of tea and coffee declined by 5.9 and 24.1 per cent, respectively, over the same period.

Figure 1: Inflation rates, January 2021 - March 2022



Data source: Kenya National Bureau of Statistics (KNBS)

Accommodation and food services activities grew by 24.8 per cent, a comeback from the consistent contraction in the preceding quarters. This sector growth was lower than the growth of 63.4 per cent in the same period in 2020. Tourists' arrival has continued to improve with a total of 113,111 tourists in the month of December 2021, an increase from 94,318 and 91,799 tourists in the months of November and October 2021, respectively. Remittances in the year 2021 also increased to US$ 3,718 million from US$ 3,094 million in 2020.

The headline inflation rate increased to 5.6 per cent in March 2022 from 5.1 per cent in February 2022 (Figure 1). This was on account of an increase in prices of commodities under food and non-alcoholic beverages (9.9%); furnishings, household equipment and routine household maintenance (6.4%); housing, water, electricity, gas and other fuels (4.9%); and transport (3.7%). The 5.6 per cent recorded in March 2022 was relatively lower than 5.9 per cent recorded in a similar period in 2021. Nevertheless, due to the prolonged drought conditions and supply shortages due to the ongoing war between Ukraine and Russia, on average, the prices of food in March 2022 were relatively higher compared to the same month in 2021. For instance, the prices of cooking oil, carrots, wheat flour, spinach, kales, Irish potato grew by 35.2, 10.7, 17.7, 20.0, 20.2 and 15.3 per cent, respectively, between March 2021 and March 2022. Food inflation rose from 8.9 per cent in January 2022 to 9.9 per cent in March 2022, higher than 6.7 per cent recorded in March 2021. However, fuel inflation declined from 8.2 per cent in January 2022 to 5.8 per cent in March 2022 owing to Government subsidy from the Petroleum Development Levy and the initiative to lower electricity prices.

Monetary and Financial Policy

The banking sector remained stable and vibrant, supported by recovery in the private sector activities. The Monetary Policy Committee during its meeting on 29th March 2022 maintained an accommodative monetary policy stance by retaining the Central Bank Rate (CBR) at 7.0 per cent. This accommodative stance was guided by well-anchored inflation expectations and improved economic performance.

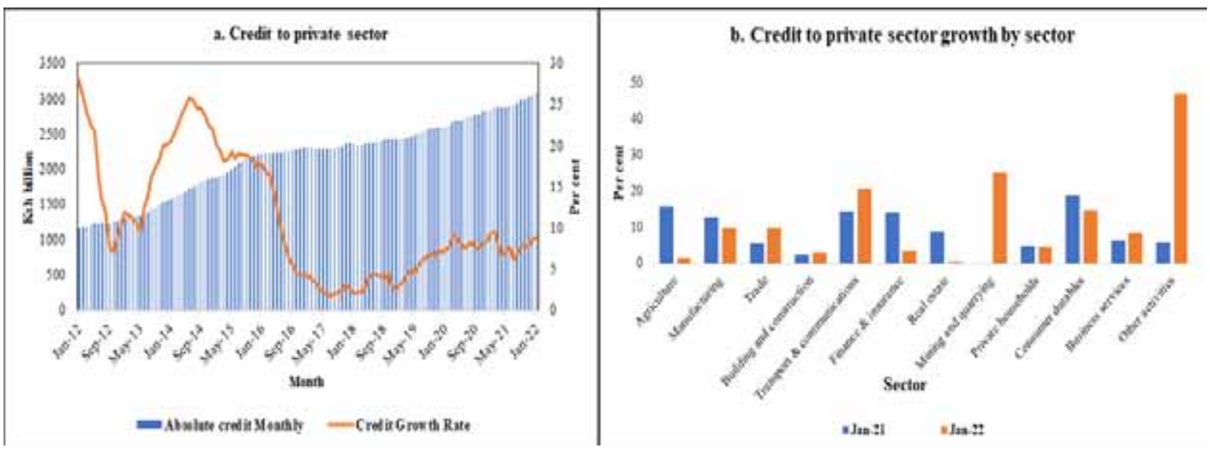
Credit to the private sector stood at Ksh 3,090.5 billion in January 2022 compared Ksh 2,839.8 billion reported in January 2021. This performance reflected a marginal decline in growth from 9.6

per cent in January 2021 to 8.8 per cent in January 2022 (Figure 2). Nonetheless, this growth was broad-based across all sectors where strong credit growth was observed in the mining and quarrying (24.9%), transport and communications (20.7%), consumer durables (14.6%), trade (9.6%), manufacturing sector (9.7%) and business services (8.4%). This robust performance reflects increased demand for credit, which was driven by increased economic activities.

The ratio of non-performing loans (NPLs) to gross loans improved to 13.3 per cent in January 2022 from 14.3 per cent recorded in January 2021. Nonetheless, the volume of NPLs increased marginally from Ksh 431.7 billion to Ksh 436.1 billion over the same period. The slight increase in the volume of NPLs was on account of challenges faced by businesses. Nevertheless, the banking sector remained resilient and stable, supported by strong capital adequacy and liquidity ratios.

> “The value of export of goods increased from US$ 6,030.2 million to US$ 6,767.5 million between January 2021 and January 2022 to register a robust growth of 12.2 per cent.”

Figure 2: Credit to the private sector



Data Source: Central Bank of Kenya

The total capital adequacy ratio stood at 19.6 per cent in December 2021, above the statutory requirement of at least 14.5 per cent and 19.2 per cent recorded in the same period in 2020. The strong capital adequacy ratio was supported by a faster growth in total capital relative to total risk-weighted assets. The average liquidity ratio for the sector was 56.2 per cent in December 2021 compared to 54.6 per cent in same period in 2020.

The total liquidity ratio increased to 56.7 per cent in January 2022 compared to 54.6 per cent in the same period in 2021.

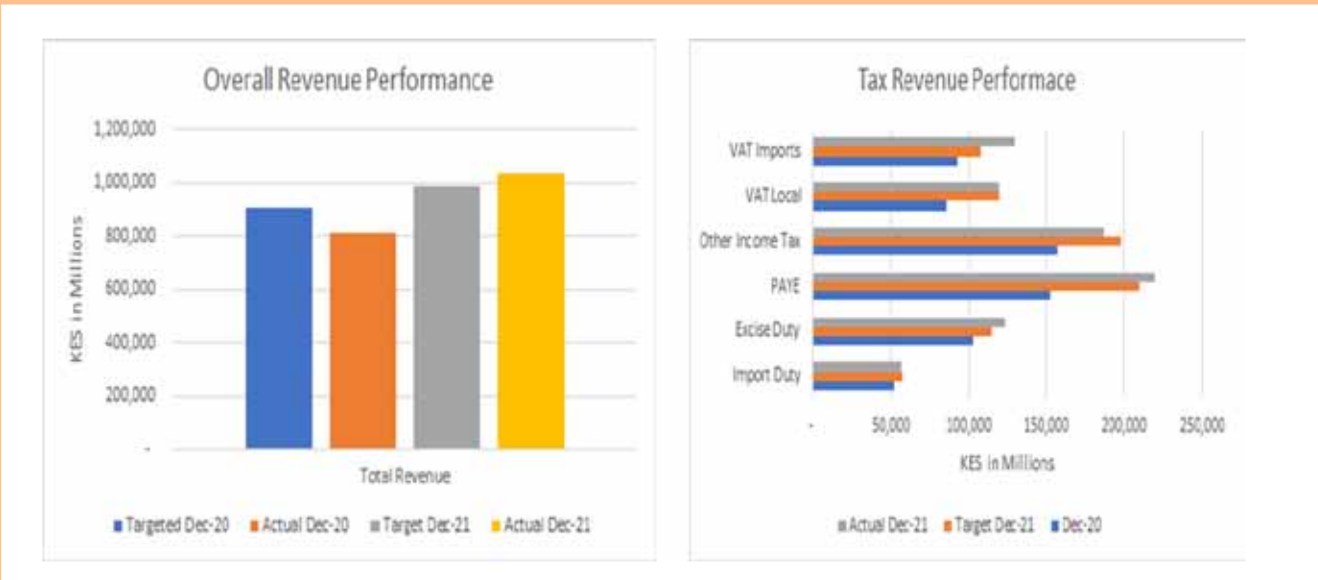
The interbank rate remained stable, averaging at 4.6 per cent in the first quarter of 2022, which was a decline from an average of 5.0 per cent over a similar period in 2021. The decline in the interbank rate reflects decreased demand for credit in the economy as businesses continue to recover from the effects of the COVID-19 pandemic. Similarly, yields on government securities remained stable at an average rate of 7.3, 8.1 and 9.6 per cent for the 91-day, 182-day and 364-day Treasury bill for the first quarter 2022, which was an increase from average rates of 7.0, 7.7, and 8.8 per cent reported in the first quarter of 2021.

Fiscal Developments

The economy in the first half year of 2021/2022 showed a strong recovery, with revenue collection target surpassed by 4 per cent in comparison with the previous period that fell short of the targeted revenue by 12 per cent. This was largely due to the lifting of restriction measures earlier set to contain the spread of COVID-19 in the second quarter, which spurred economic activity. The strong revenue performance was largely from increase in custom revenue in form of excise duty and VAT imports collection due to increased imports following the opening of the global economy. PAYE also registered strong performance surpassing its target by 5 per cent (Figure 3). This is an indication of growth in employment as the hospitality and transport industry resumed normal operations following removal of lockdown and curfew restrictions. VAT local target was also surpassed in the half year ending December 2021 by 0.4 per cent because of improved enforcement measures resulting in improved compliance. Despite mutation of COVID-19 to variants such as omicron posing a threat to the economic recovery, measures such as mass vaccination that hit the target of 10 million vaccinated people contained the variant, ensuring no disruption on the economy with lockdown measures. The actual revenue collected in December 2021 recorded a 27.3 per cent increase from the revenue collected in December 2020.

The total expenditure in the second quarter fell short of the targeted expenditure by 6 per cent. This was largely due to the development expenditure and transfer to county government falling short of their targets by 19 per cent and 26 per cent, respectively. The recurrent expenditure surpassed the targeted expenditure by 3 per cent. The surpassed recurrent expenditure was mainly driven by domestic interest payment and operational and maintenance expenditure, which was higher than the targeted expenditure

Figure 3: Revenue performance in the first half of 2020/21 and 2021/22



Data Source: National Treasury

Figure 4: Expenditure performance

Data Source: National Treasury

by 7 per cent and 11 per cent, respectively. Total expenditure in the half year period ending December 2021 recorded a decrease of 12 per cent from the total expenditure in the same period ending December 2020 (Figure 4).

The surpassed revenue target and missed expenditure target saw the overall fiscal deficit in the half year ending December 2021 recorded a decrease of 19 per cent from the previous half year period ending in December 2020.

Overall public debt recorded an increase of 12.7 per cent in the last 12 months to December 2021 (Table 1). Gross domestic debt and external debt grew by 15.6 and 10.0 per cent, respectively, in the first half of 2021/22 in comparison to the same period in the last fiscal year. The increase in domestic debt was mainly driven by an increase in Treasury bond while the increase in external debt was a result of increase in external loan disbursement and fluctuations in the exchange rate.

The total exchequer issue for the half year ending December 2021 was 1,363.3 billion (Table 2). This was an increase of 15.5 per cent in the half year ending December 2021 in comparison to the same period in the last fiscal year. This increase

Table 1: Public debt in the half year ending December 2020 and December 2021 (Ksh million)

	December -2020	December-2021	Deviation (%)
Domestic	3,488.5	4,032.4	15.6
External	3,793.3	4,174.4	10.0
Public Debt	**7,281.8**	**8,206.7**	**12.7**

Data Source: National Treasury Kenya gazette

Table 2: Exchequer issues for the first half of 2020/2021 and 2021/2022

	2020	2020	2021	2021	2020	2021
Exchequer Issues	Estimate (Billions)	Actual (Billions)	Estimate (Billions)	Actual (Billions)	Level of Performance	Level of Performance
MDA (Reccurent)	1062.99	459.74	1106.56	528.05	43%	48%
CFS	1028.06	457.66	1327.22	546.29	45%	41%
MDA (Development)	355.72	139.35	389.23	143.96	39%	37%
National Issues	2446.77	1056.75	2823.01	1218.3	43%	43%
County Issues	383.65	123.96	370	144.98	32%	39%
Total	**2830.42**	**1,180.71**	**3,193.01**	**1,363.28**	**42%**	**43%**

Data source: Kenya Gazette

in exchequer issue was driven by an increase in cash issued to the CFS of 19.4 per cent and county issues that recorded an increase of 17.0 per cent. The cash issued to Ministry, Department or Agency (MDA) recurrent increased by 15.0 per cent while that of MDA development increased by 3.3 per cent. Exchequer issue to the National Government formed 89 per cent of the total issue while counties received 11 per cent of the total cash issues.

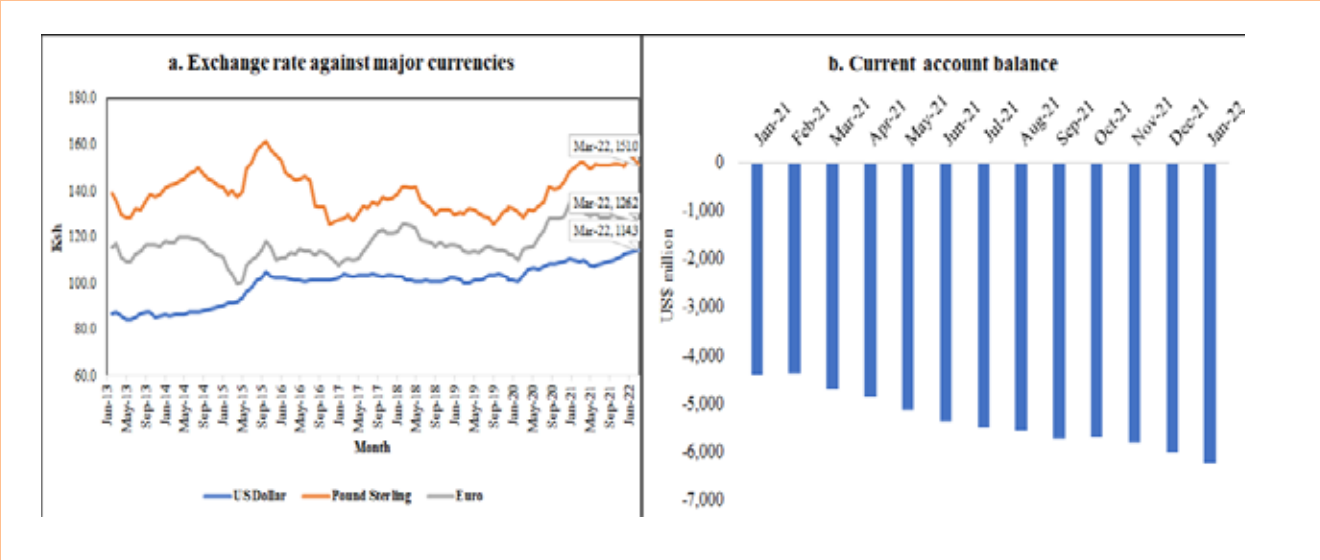
External Sector Developments

The Kenya shilling depreciated slightly against major currencies to record an average exchange rate of Ksh 113.8, Ksh 152.7 and Ksh 127.7 against the US Dollar, Sterling Pound, and Euro, respectively, in the first quarter of 2022 compared to average exchange rates of Ksh 109.7, Ksh 151.3 and Ksh 132.3, respectively, in the first quarter of 2021 (Figure 5a). The depreciation of the Kenya shilling against the US dollar and the Euro emanated from growing demand for foreign currencies in face of rising import prices, rising global fuel prices, inflation expectations, and low interest rates. The Central Bank of Kenya maintained sufficient foreign exchange reserves where the stock of official reserves stood at US$ 7,919.8 million (4.8 months of import cover) in March 2022. This represented a 2.3 per cent increase from US$ 7,741.2 (4.7 months of import cover) reported in March 2021. However, month on month numbers indicate a 5.8 per cent decline in the stock of official reserves between January 2022 and February 2022 and 2.6 per cent decline between February 2022 and March 2022, occasioned by increasing import pressure. The reserves remained adequate providing a buffer against short-term shocks in the foreign exchange market and are within the statutory requirement of at least 4 months of import cover and the East African Community's (EAC) convergence criteria of 4.5 months of import cover.

The value of export of goods increased from US$ 6,030.2 million to US$ 6,767.5 million between January 2021 and January 2022 to register a robust growth of 12.2 per cent. This growth was supported by growing demand from Kenya's key exports including tea, coffee and horticulture. Similarly, the value of import of goods increased from US$ 14,406.2 to US$ 18,363.5 between January 2021 and January 2022 to record a growth of 27.5 per cent. This growth reflects increased importation of oil and intermediate goods and rise in prices of some key products. The reported export and import performance resulted to worsening of the goods balance by 38.4 per cent, while the services account surplus increased by 112 per cent. However, given the relative sizes of the goods and services accounts, this performance resulted to widening of the current account to a deficit of US$ 6,225.1 million in the year to January 2022 compared to a deficit of US$ 4,385.70 as at January 2021 (Figure 5b).

Total diaspora remittances registered a strong growth of 23.5 per cent to stand at US$ 321.5 million in February 2022 compared to US$ 260.3 million received in February 2021. The growth was broad-based and was reported from the

Figure 5: Exchange rate and current account balance



Data Source: Central Bank of Kenya

main sources of remittances including North America (13.4%), Europe (31.9%) and the rest of the world (48.3%). In 2021, remittances from North America accounted for 63 per cent of the total remittance flows while those from Europe and the rest of the world were 18 and 19 per cent, respectively. A Central Bank of Kenya December 2021 survey on diaspora remittances established that 70 per cent of remittances are set through formal channels, including money transfers companies, banks and mobile money targeting nuclear family members. Households use these receipts to purchase food and household goods, settle medical and education expenses, pay rent, payment of household utilities and meet farming financial needs. More than 50 per cent of the remittances went to investment in real estate for the recipients, mortgage payments for the senders and purchase of food and household goods. Notably, remittances from East Africa, North America and Oceania increased with the COVID-19 pandemic while remittance from Asia, Europe and Latin America declined. An emerging trend in sending diaspora remittances is the use of digital channels due to their convenience, lower transaction costs and security.

Emerging Issues and Potential Impact on Growth Trajectory

As the country continues to recover from the effects of COVID-19 pandemic, several factors are emerging that will define the recovery path. These factors could negatively or positively affect the country's growth path. Key among them are:

Downside Risks

1. **Geopolitical tensions:** The ongoing war between Ukraine and Russia poses a major external risk due to potential supply chain disruptions. Kenya imports food products such as wheat, corn and agricultural inputs such as fertilizers from the two countries. Should the conflict be prolonged without diversification of import sources, food prices would continue to rise in Kenya. The ongoing conflict will also negatively affect tourism activities in the country due to cancelation of bookings from the citizens of the two countries.

2. **Global oil price shocks:** The global oil prices are continuing to rise, causing inflationary pressure in the country. Should the trend continue, the burden of Government fuel subsidy program will increase and constrain the fiscal space and may be unsustainable in the long-term.

3. **COVID-19 pandemic:** New strains of COVID-19 pandemic continue to be reported, which may lead to disruptions of economic activities if stringent containment measures such as lockdowns are reintroduced in different countries around the world.

Potential Opportunities

1. **Developments in the East African Community (EAC):** On 27th March 2022, the Democratic Republic of Congo (DRC) was granted permission to join the EAC as a full member State. The country, with a population of about 90 million people, was expected to sign the Treaty of Accession by 14th of April 2022. This is expected to expand the EAC's market to a population of nearly 300 million people. Consequently, Kenya has a number of opportunities to expand her export market particularly in the manufacturing and services sectors. Additionally, Kenya will potentially benefit from cheap mineral imports from Congo, which will boost growth of Kenya's manufacturing sector.

2. **Favourable weather conditions:** The country faced adverse weather conditions in 2021, which led to a decline in agricultural output and growth. However, the country started receiving the long-term rains towards the end of March 2022. Should the rainfall continue across the country, agricultural output will increase, resulting in overall growth.

3. **Peaceful general elections:** The Government has started putting in place measures to ensure peaceful general elections in August 2022 and transition to a new government. A peaceful electioneering period will not only boost investor confidence, but also ensure economic activities remain robust throughout the year.

4. **Vaccination campaigns:** The ongoing vaccination programmes and the Government's target to cover more than 50 per cent of the population by the end of 2022 will not only promote economic recovery, but also ensure limited disruptions from COVID-19 related measures.

Image: Freepik.com

Drought and Conflicts in Pastoral Systems in Kenya: Mitigation Activities to Foster Sustainable Production Systems and Livelihoods

By Evelyne Kihiu, Cecilia Naeku and Joshua Laichena

Introduction

Droughts are one of the most far-reaching hazards in the country and world at large, causing widespread suffering and loss of lives with even greater negative effects to pastoral communities in drought prone Arid and Semi-Arid Lands (ASALs). The Sixth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC) highlights that the last four decades have been successively warmer than the preceding decades since 1850 and that climate has warmed at an unprecedented rate at least the last 2000 years. Relative to the 1850-1900 period, the IPCC further notes that in Africa, the mean temperatures and hot extremes have emerged above natural variability in all land areas. With these observations, drought disasters occurrences are likely to increase in frequency and intensities.

In Kenya, an assessment of drought occurrences indeed indicates their frequency and intensities has increased in the last decade in terms of number of people affected and intervals. For example, previously the drought occurred at an interval of between five to ten years but as the data in Table 1 attests, it has reduced to between one to three years. In September 2021, the President declared drought condition a national disaster.

The National Drought Management Authority (NDMA) observes that the ASALs, which are crucial to pastoral livelihoods and the livestock sub-sector, are particularly hit the hardest during drought episodes. In the recent past, the ASALs have experienced consecutive seasons of poor rainy seasons, including failure of the short rains in 2020 (October to December), March-May 2021 long rains and short rains in October-December 2021.

Drought occurrences in pastoral systems have been associated with below average crop production, depleted resources such as livestock pastures and water, deteriorated livestock body conditions due to poor pasture conditions and long trekking distances, low

Table 1: Drought intensities and number of people affected in Kenya

Start Year	End Year	Total Affected
1965	1965	260,000
1971	1971	150,000
1979	1980	40,000
1984	1984	600,000
1991	1992	2,700,000
1994	1995	1,200,000
1997	1998	1,600,000
1999	2002	23,000,000
2004	2004	2,300,000
2005	2006	3,500,000
2008	2009	3,800,000
2011	2011	4,300,000
2011	2012	3,750,000
2014	2015	1,600,000
2016	2018	3,400,000
2019	2019	2,600,000
2021	2021	2,100,000

Data Source: Emergency Events Database (EM-DAT): The International Disaster Database, Centre for Research on the Epidemiology of Disasters: www.emdat.be (D. Guha-Sapir). Accessed on Mon, 31 Jan 2022

livestock prices and productivity leading to low livestock related income, and in extreme cases increased livestock mortalities because of starvation. In addition, with livestock migration from vegetation deficit areas, this has seen increased frequency of conflicts.

For instance, the poor performance of the long rains and late onset of short rains in 2021 worsened the food insecurity situation in ASALs, with an estimated 2.8 million people in food crisis and in need of humanitarian assistance (NDMA, 2021). Further, poor performance of rainfall, resulted to incomplete forage regeneration leaving majority of ASALs, with extreme deficit vegetation leading to livestock mortalities of cattle (512,283), sheep (423,002), goats (439,205) and camels (63,143). Garissa, Mandera, Marsabit, Isiolo, and Wajir have been the worst hit accounting for almost 1 million of the estimated livestock losses.

Unfortunately, the drought situation has not been projected to end soon as the Kenya Meteorological Department (KMD) forecasted that only a few areas in the country were to experience rainfall in January 2022. This grim prediction was also affirmed by a report by the Famine Early Warning Systems Network (FEWS NET) that raised concerns on the likelihood of a multi-year occurring again with depressed long rains in March-May 2022. As such, the vegetation condition is expected to remain low through early 2022 and in turn increasing conflict risks for scarce pastoral resources.

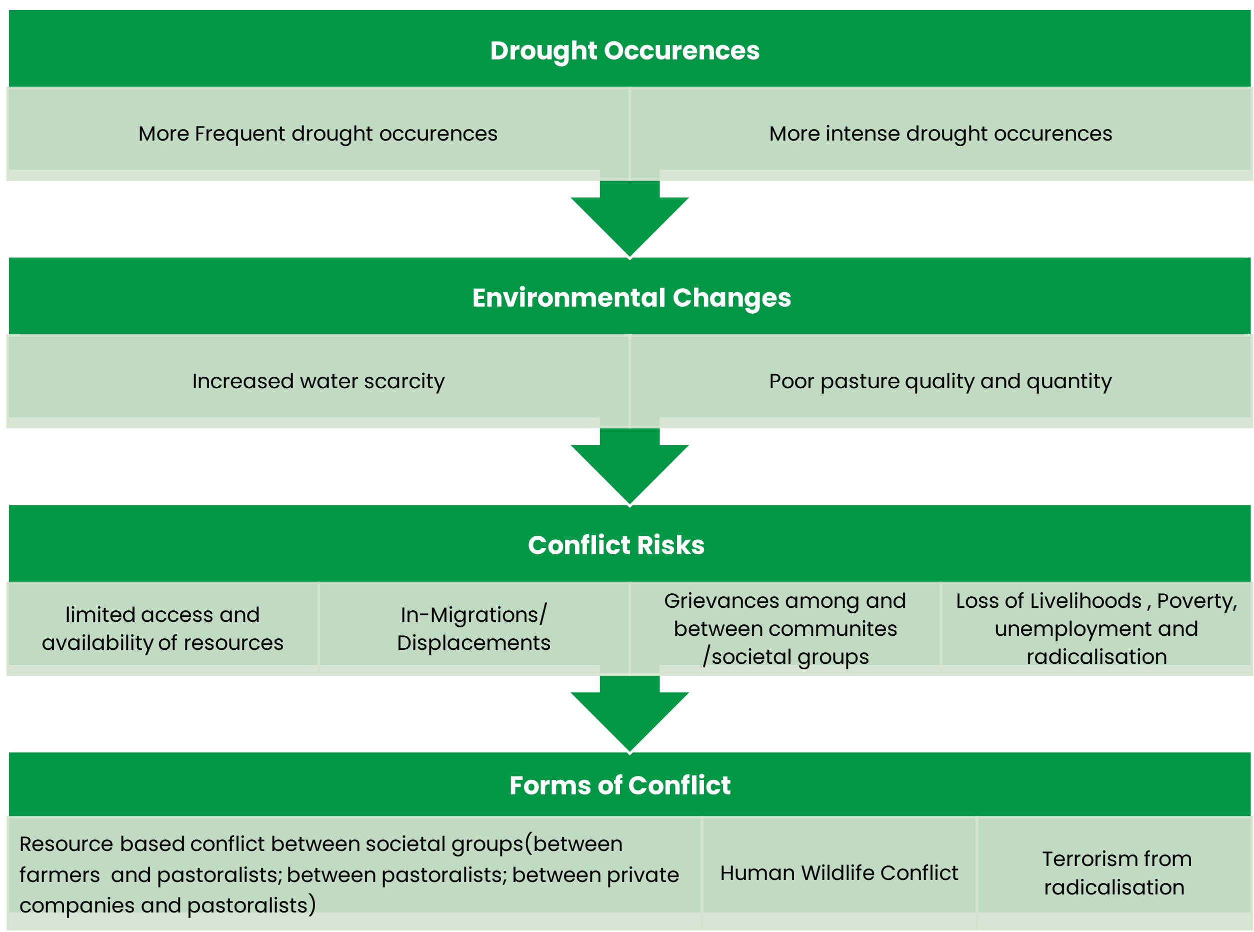
Drought and Conflict in Pastoral Systems

Pastoralist communities have in the past been able to cope with depressed rainfall and diminishing pastures using their indigenous knowledge on migratory patterns, management systems and complex kinship relations. However, currently, the pastoral livelihood options have greatly diminished with the more frequent and intense droughts whose effects have been aggravated by blocked migratory routes due to increased settlements, expansion of conservancies, changes in land tenure system and spread of invasive species. This inevitably has frequently led to conflicts between pastoralists to pastoralists and between those practicing agriculture and the pastoralists in search for pasture.

For instance, In June 2021, the country witnessed conflict over diminishing pastures along Marsabit-Isiolo border, leading to the deaths of at least 20 people and displacement of communities. Most attacks have been reported to be occurring at water points. Further, in December 2021, armed conflicts were reported in the Kenya-Uganda and Kenya-South Sudan borders where pastoral

> "...poor performance of rainfall, resulted to incomplete forage regeneration leaving majority of ASALs, with extreme deficit vegetation leading to livestock mortalities of cattle (512,283), sheep (423,002), goats (439,205) and camels (63,143)."

Figure 1: Drought and conflict outcomes



Source: Authors' conceptualization

Table 2: Selected incidences of conflict over resources in Kenya (2000-2018)

Date	Conflict Type	Primary Cause of Conflict	Conflict Description and Location
2000	Watering point/ Pasture	Drought/access to water	Ethiopian and Kenyan territory
2001	Land and water access	Farmers and herders	At least 130 people killed in clashes between Pokomo and Orma
2005	Water use pastoralists vs farmers	Diversion of water for irrigation/	More than 90 people killed. Kikuyu and Maasai groups dispute over water
2006	Water/Pastureland	Control of water and pastureland	40 people died in Kenya and Ethiopia
2008	Borehole/water Scarcity	Drought/Resource Competition	Fighting over boreholes in arid northern Kenya kills at least four
2012	Water	Water access in the slums	Violence and several deaths over disputes on water in Nairobi slums
2012	Pasture/water	Resource sharing	Violence between Uganda and Kenya
2013	Pasture /water	Clan rivalry/competition of water and pasture	Fighting between Borana herders kills at least 56 people
2015	Grazing land/water	Pastoralists -farmers clash over pasture/water	Clashes between pastoralists and farmers over access to water and grazing lands in Marsabit
2017	Water	water diversion for irrigation	Residents of Nyeri Town destroy irrigation water pipe
2017	Water/pasture	Water shortage conflict	Laikipia conflict triggered by water shortage in Ewaso Ng'iro river
2018	Water	Protest over water sharing	Dispute over the Ndakaini Dam in Murang'a
2018	Water	Water sharing	Dispute over water sharing between Kajiado, Makueni and Machakos

Source: Various sources

communities along the borders sought water and pastures. Insecurity along the two borders had started in October and intensified in December. In that border region alone, raids increased from 2-3 a month to 9-12 between September and December 2021.

Similar to many countries in Sub-Saharan Africa, pressures emanating from drought occurrences are a threat multiplier to various factors that contribute to conflicts in pastoral systems. Drought shocks may result in a vicious cycle of insecurity where affected communities are pressured to protect themselves and in some other instances provide/replace lost livelihoods in retaliatory attacks resulting into more insecurity incidents. Conflicts reinforce drought effects by restricting livelihood activities to pockets of the ecological fragile ASALs leading to further livelihood losses.

From Table 2, there is indication that counties that were relatively considered more resource secure have also experienced resource conflict such as water conflict in Murang'a and Nyeri in the recent past.

Responses to Drought and Conflicts Challenges in ASALs

Committed to end drought emergencies in Kenya, the National Drought Management Authority (NDMA) has established a programme framework anchored on six pillars, among which is the peace and security pillar. NDMA acknowledges that for the country to build resilience and promote sustainable development in drought prone ASALs, there is need for conflict management and peacebuilding and hence the importance of the peace and security pillar.

In addition to the devolved system of government, various initiatives have been implemented to promote peace and security in the ASALs. This includes development of Sessional Paper No. 8 of 2012 on National Policy for the Sustainable Development of Northern Kenya and other Arid Lands 'Releasing Our Full Potential', enhancing policing and security infrastructure in the ASALs; placement of sub-county peace committees that integrate both traditional and modern conflict resolution mechanisms; disarmament efforts; and establishment of the National Steering Committee on Peacebuilding and Conflict Management (NSC). Transboundary conflict among pastoral communities is managed through the Conflict Early Warning and Response Mechanism (CEWARN) platform established by the Intergovernmental Authority on Development (IGAD). At the national level, the NSC also serves as Kenya's Conflict Early Warning Response Unit (CEWERU) to collect, analyze and formulate conflict response strategies. However, the effectiveness of the various initiatives has been limited by various challenges, including: inadequate resources, both funding and security personnel; armed groups taking advantage of disarmed communities; and inadequate transport and communication infrastructure affecting timeliness of the response mechanisms.

Recent efforts addressing different challenges faced by pastoral communities are now taking into consideration the important role pastoralism plays in ecosystem management, the economy and food security. One such effort is commercializing pastoralism to increase economic benefits and transform it from the current subsistence state. Commercialization could also potentially increase investment in livestock feed security and breed improvements. Although livestock products have high value in both the local and international markets, livestock market linkages remain weak as middlemen take advantage of information asymmetry and poor infrastructure. The reopening of the refurbished Kenya Meat Commission (KMC) on 24th May 2021 is likely to promote pastoralist participation in the country's meat value chain and related livestock commercial offtake particularly during drought episodes. With well-established market linkages and regulations, pastoralists can benefit and fully transition to commercialization, hence reduce their risks during drought.

Additional interventions to threatened livelihoods in ASALs during drought episodes include humanitarian support in the form of cash transfers and relief food; provision of livestock feed supplements, vaccination and treatment, and disease surveillance; enhanced water access through rehabilitation of strategic boreholes, expansion of water storage facilities; and provision of crop inputs and disease surveillance. Other policy measures include development of National Livestock Insurance Policy and the development of County Disaster Risk Management Policies and Acts by all the counties in line with MTP III on disaster management.

Building Resilience through Conflict Resolution: Lessons from the Sudano-Sahelian zone

In addition to availing additional resources, there are encouraging efforts in Sub-Saharan Africa, particularly in the Sudano-Sahelian zone, that can inform conflict prevention efforts in the country[1]. Like the Kenyan ASALs, pastoralism is an essential livelihood in the Sudano-Sahel ecological zone. The areas have experienced major conflicts and recurrent drought episodes, which are likely to become severe with climate change and demographic pressures. The identified efforts to enhance conflict prevention and development include:

1. Equitable rural development that is sensitive to the interests of the pastoral communities and sustainable management of the pastoral resources. The development initiatives to recognize pastoral needs and customary practices particularly access to feed and water in dry seasons such that they do not become conflict triggers. The development investments could be in the form of rural infrastructure development and planning to ensure it is maintained over time. The infrastructure could include water points and grazing reserves; service provision to the pastoral communities; proactive and participatory natural resource (land and water resources) management; land tenure reforms to protect access to grazing land, water, and trekking routes; and regular conflict sensitivity assessments.
2. Supporting pastoral communities adapt to climate change while promoting complementarity between pastoral interests and environment conservation. This can be achieved through participatory approaches to ecosystems protection and encouraging pastoralist to diversify their livelihoods.
3. Enhancing the voice and representation of pastoralists in the national government. This will help ease the tensions and improve relations between pastoralists and central authorities where the communities would view the government as their ally rather than have polarized relations and urge to protect their freedoms lists. One strategy to achieve this is through devolution of administrative authority.
4. Regional integration across counties and borders to foster peaceful cross-border networks among pastoral communities through agreements, security coordination and livestock regional value chains. This is supported by data collection and analysis at the local level and coordinated humanitarian and peacebuilding efforts.
5. Enhance the role of women as agents of development, resilience and peacebuilding in pastoral communities.
6. Enhance community-oriented security characterized by collaboration between security forces and civilians and address transboundary crime and terrorism to protect the livelihoods of pastoralists. Security efforts can also be enhanced by adopting technology to track cattle movement and ensure greater coordination between cross-border agents.

[1] https://www.dmeforpeace.org/pastoralism-conflict-toolkit/wp-content/uploads/2021/03/Pastoralism-and-Conflict-Toolkit-Search-for-Common-Ground-2021.pdf

image: Freepik.com

Powering the Economy: Pathways to Sustainable and Efficient Electricity Services in Kenya

By Charity Mbaka and Brian Nyaware

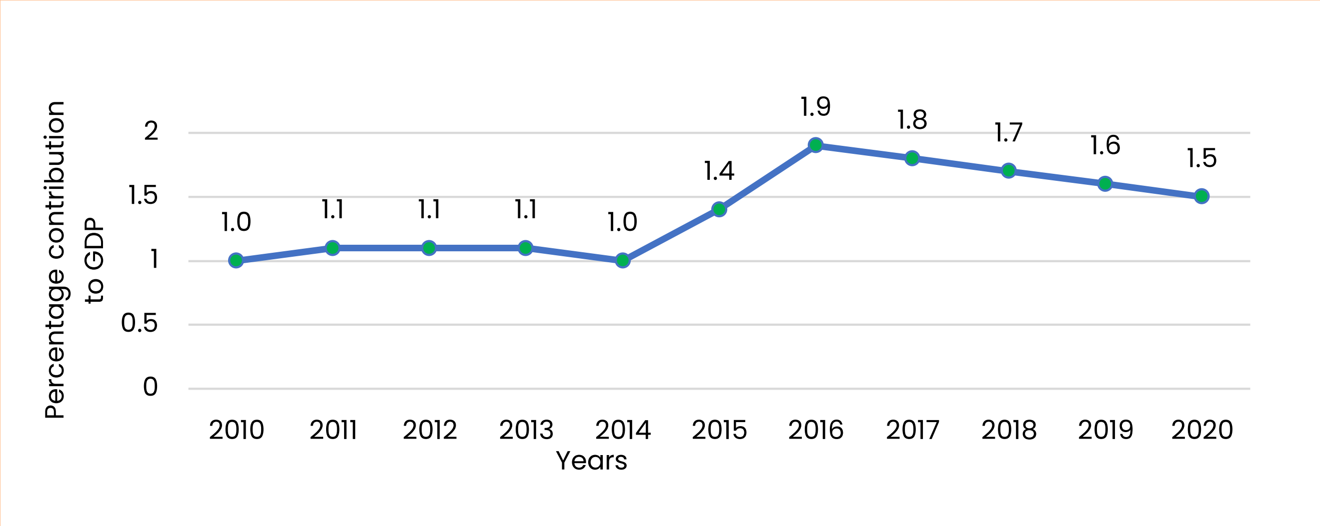
Introduction

Energy is one of the most important inputs to economic development as it drives economic productivity and industrial growth. Access to clean, reliable, and efficient sources of energy is fundamental to economic growth. The Kenya Vision 2030 and the "Big Four" agenda identify energy as one of the enablers for sustainable economic growth and a key foundation for Kenya's aspired national transformation. The development and stability of the economy is partly attributable to key indicators on the electricity supply and demand side, which play a key role in ensuring sustainability and efficiency in the energy sector. Economic growth and energy demand and supply are linked; as economies grow, energy demand increases, and constrained energy supply slows down GDP growth. According to the National Energy Policy (2018) Electricity Supply Industry (ESI) value chain consists of the critical components that indicate the performance of electricity sectors consisting of generation, transmission, distribution, and consumption of electrical energy, and laws that create an enabling environment for the practices play a key role in ensuring the stability of the sector.

Status and Trends

The contribution of electricity supply to GDP shows an increasing trend from 1.0 per cent in 2010 to 1.5 per cent in 2020 (Figure 1). This illustrates that electricity supply is an indispensable input for the economy. The Energy Policy (2018) indicates that growth of Kenya's economy over the past decade is attributable to increased investment in the energy sector, particularly in the electricity sub-sector. The growth of the economy is attributed to significant increase in electricity generation, particularly from low-cost geothermal energy and other renewable sources such as wind and solar. Currently, geothermal contributes 30 per cent of total installed capacity, wind 12 per cent and solar 25 per cent.

Figure 1: Percentage contribution of electricity supply to GDP, 2010-2020



Source: KNBS (Various), Economic Survey

Conversely, the sector's contribution to GDP showed a downward trend from 1.9 per cent in 2016 to 1.5 per cent in 2020. The decline is mainly due to factors such as depressed generation of hydro-electricity due to erratic weather patterns and a significant increase in the generation from thermal sources, which are highly input-intensive, therefore increasing the production costs.

Electricity generation in Kenya is liberalized, with several licensed State electric power producers and Independent Power Producers whose combined generation capacity is 11,316 GWh (Table 1). Total generated electricity capacity shows an increasing trend from 9,456 GWh in 2008 to 12,221 GWh in 2020. Renewable energy generation has seen significant growth, mainly from geothermal, hydro, wind and solar energy, which are still under-exploited. Electricity generation capacity of the thermal sources fell by 46.6 per cent from 2015 to 2020 as the government embarks on reducing reliance on thermal generation and phase it out.

Table 1: Electricity generation capacity, 2015-2020

Year	Generation (GWh)									
	Hydro	Thermal[2]				Geothermal	Co-generation	Wind	Solar	Total
		KenGen	IPP	EPP	Total					
2015	3,463	393	954	65	**1,412**	4,521	0	60	0	**9,456**
2016	3,960	539	905	26	**1,471**	4,484	0	56	0	**9,972**
2017	2,777	998	1,536	0	**2,534**	4,756	2	61	0	**10,130**
2018	3,986	756	790	0	**1,546**	5,128	3	376	14	**11,038**
2019	3,205	669	644	0	**1,313**	5,235	0	1,563	92	**11,316**
2020	4,232.7	120.6	633.9	0	**754.5**	5,059.8	0.2	1331.4	88.4	**12,221**

Data source: KNBS (Various), Economic Survey

NB: IPP: Independent Power Producers; EPP: Emergency Power Producers

2 Independent Power Producers (IPPs) are private investors in the power sector involved in generation either on a large scale or for the development of renewable energy under the Feed-in -Tariff Policy.

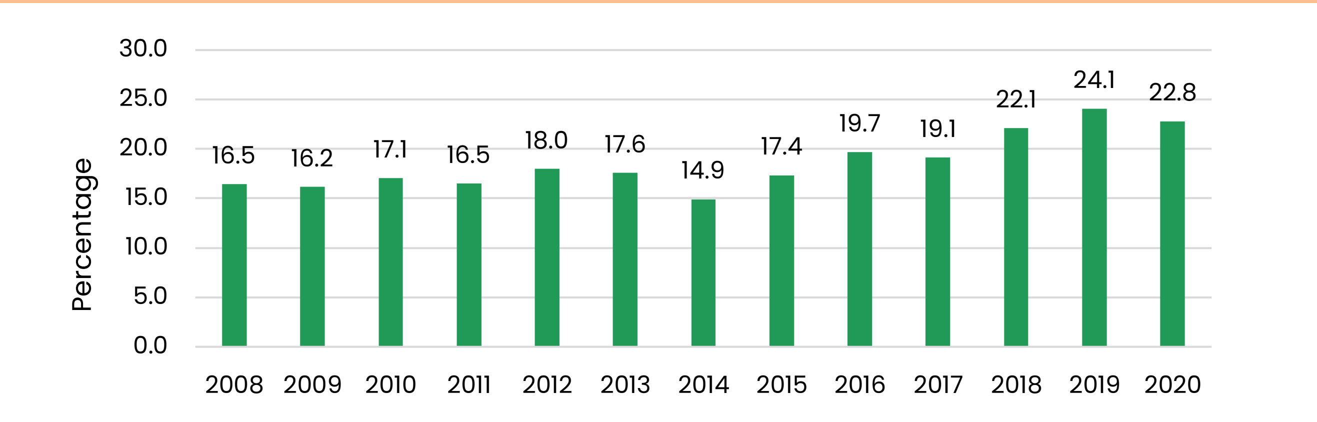
> "The growth of the economy is attributed to significant increase in electricity generation, particularly from low-cost geothermal energy and other renewable sources such as wind and solar."

The phase-out of thermal sources is expected to have a positive impact on end-user prices as thermal sources are more expensive and Fuel Energy Cost (FEC) are reflected in electricity bills, increasing the cost per unit of electricity. For example, solar and wind power costs around Ksh 8 (US$ 0.077) per kWh, while heat costs over Ksh 20 (US$ 0.19). The country is thus on a progressive path towards clean energy. With a significant increase in generation from renewable energy sources, the country is on a progressive path towards a 100 per cent green energy mix by 2030.

The transmission and distribution of electricity is also an essential part of the electricity system to ensure efficiency and energy security. Power transmission and distribution losses increased by 61.4 per cent from 1,062.4 GWh to 2,790.7 GWh in 2008 and 2020 (Figure 2). Transmission and distribution losses recorded in 2020 accounted for 22.8 per cent of total domestic generation capacity, well above the global benchmark of 15 per cent and negatively impacting electricity costs. The losses are mainly due to technical aspects in the transmission and distribution of electricity through poorly maintained grid infrastructure. Similarly, the aging transmission and distribution grids contribute about 13.0 per cent to system losses of generated electricity. Non-technical losses arise from unidentified and uncollected revenue, meter tampering, illegal connections, meter errors, and billing and revenue collection failures. Power outages severely affect the quality of power delivered to customers and adversely affect the achievement of expected revenue targets and unreliability stifles economic growth.

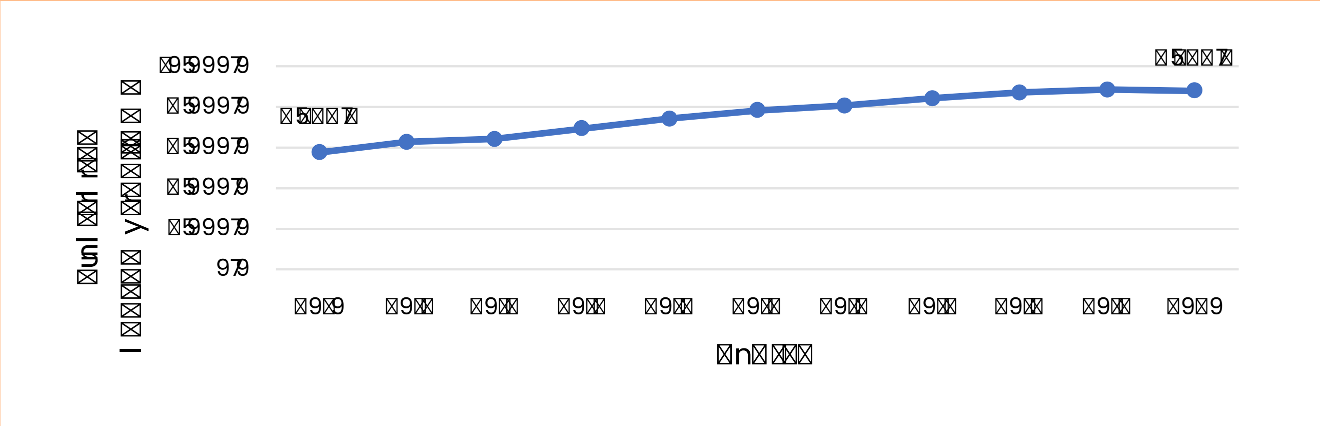
Electricity consumption is a key factor in economic growth and development indicators on the demand side of the value chain. Electricity consumption increased significantly from 5,754 GWh in 2010 to 8,796 GWh in 2020 (Figure 3). The increase is mainly driven by the increased electricity connection through grid expansion, off-grid solutions and the increased consumption by the commercial and industrial sectors over past years.

Figure 2: Transmission and distribution losses as a percentage of generated capacity (GWh)



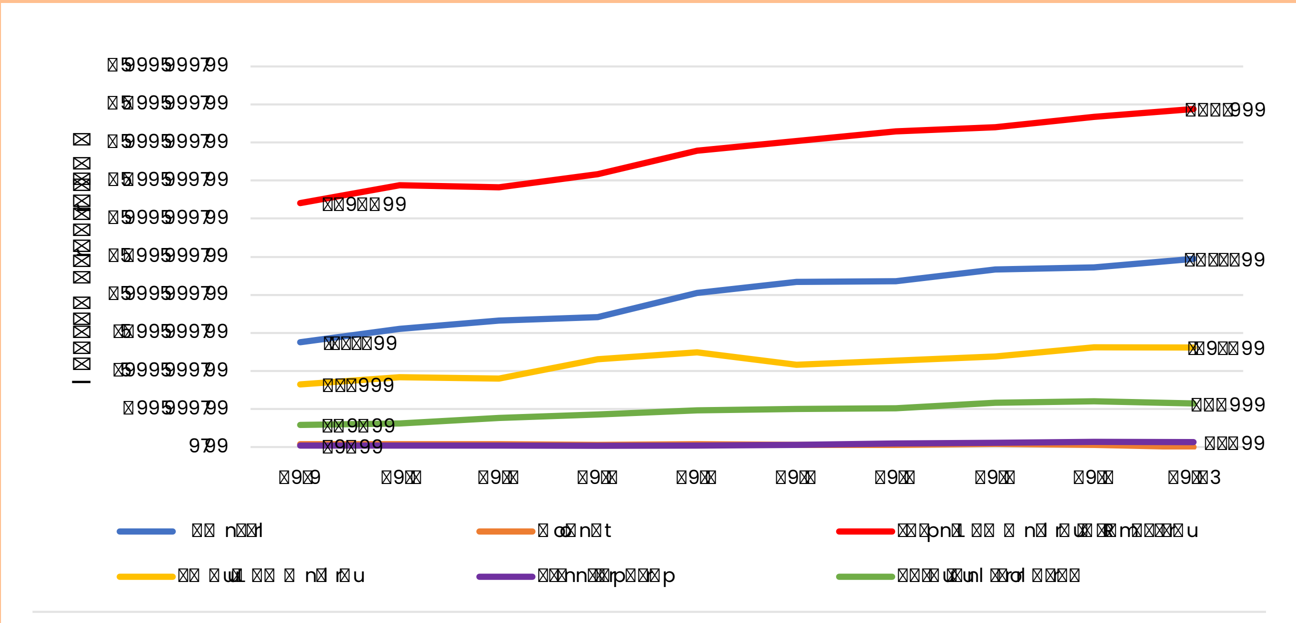
Source: KNBS (Various), Economic Survey

Figure 3: Total electricity consumption, 2010-2020



Source: KNBS (Various), Economic Survey

Figure 4: Electricity consumption by sector, 2010-2019

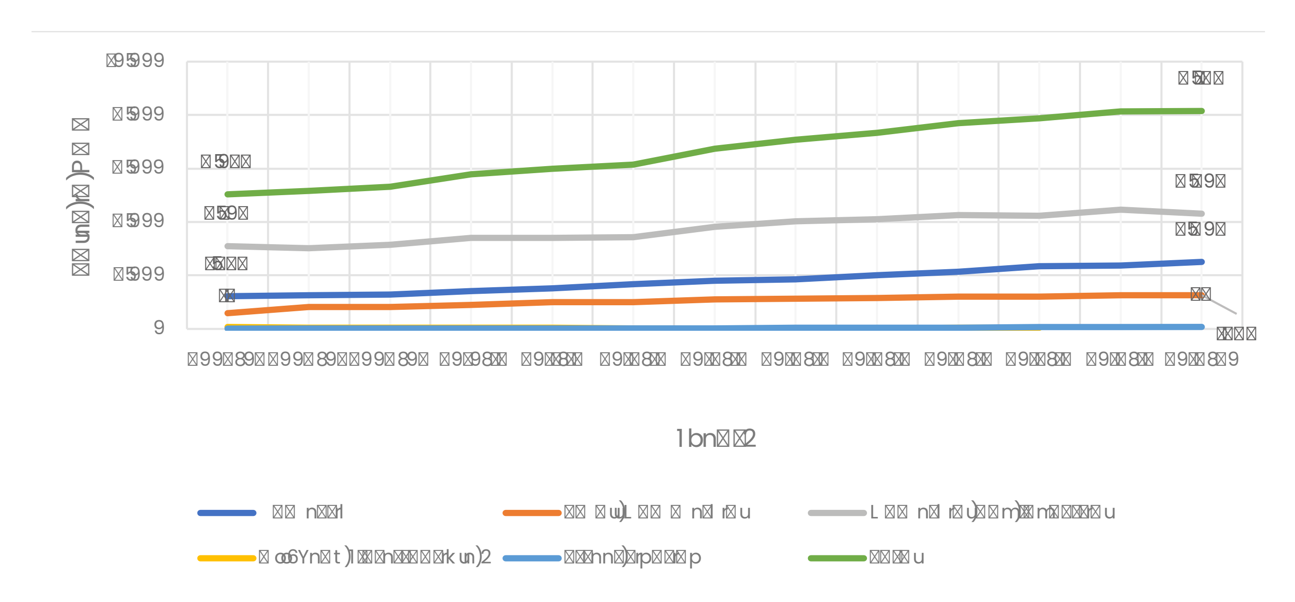


Source: KNBS (Various), Economic Survey

Despite the increased electricity demand, Kenya currently produces significantly more electricity than it consumes. For instance, installed capacity in 2020 was 2,836.7 MW while peak demand stood at 1,926 MW, indicating an excess capacity of about 32 per cent, which is above the recommended 15 per cent reserve margin. Therefore, plans for additional power generation should be based on data-backed demand forecast that reflects the actual situation to avoid overestimated demand.

Electricity consumption of all end consumers showed an increasing trend. In 2019, large commercial and industrial consumers accounted for 51.6 per cent of total energy consumption, and domestic consumers and small commercial consumers accounted for 26.5 and 14.8 per cent of total energy consumption, respectively (Figure 4). Therefore, large commercial, industrial and household consumer categories remain central and relevant in the electricity sector.

Figure 5: Sales trends by consumers category



Source: KNBS (Various), Economic Survey

However, due to allegedly higher electricity costs, large industrial consumers are shifting to self-generation of electricity. The manufacturing sector has repeatedly pointed out that high cost of electricity sometimes accounts for up to 40 per cent of production costs, and that unreliable supply has also hindered growth of the sector.

In particular, the industry category accounts for the largest share of sales and revenue (Figure 5). This means that industrial consumer revenue is critical to sustaining the utility company's revenue growth. Part of the reasons for the decline in sales is linked to most industries turning to alternative sources that are considered affordable and reliable, and majority of domestic consumers do not use electricity for productive activities.

Policy and Legal Environment

Key legal and policy frameworks have been created over the years to improve the energy sector and address the challenges. Key among them is the Sessional Paper No. 4 of 2004 on energy, which advocated the liberalization of the sector and formation of Geothermal Development Corporation (GDC) and Kenya Electricity Transmission Company (KETRACO). The Energy Act (2006) led to the establishment of different organizations tasked with generation, regulation, transmission, and distribution. This separation of functions improved efficiency and service delivery. The mandates of various entities were also expanded and reduced to streamline the sector, and the Consolidated Energy Fund was also established. The Feed-In-Tariff Policy (2021), Renewable Energy Auction Policy, Public-Private Partnerships Act (2012), and Power Purchasing Agreement are examples of policies that foster more financing and investment in the electricity sector. The energy sector also has a 20-year development plan, the Least Cost Development Plan 2017-2037, which acts as a roadmap by analyzing various scenarios on the supply- and demand-side, power losses, financing, and contributions to climate change for electricity sector, among others.

Emerging Issues and Ongoing Reforms

Despite this comprehensive and supportive legal framework for the energy sector, the sector still faces challenges in the form of high cost of electricity, transmission losses, power outages, vandalism, and governance. In March 2021, the President of Kenya set up a 13-member task force to investigate the impending issues of high electricity costs and existing Power Purchase Agreements (PPA) for the Independent Power Producers (IPP).

Regarding electricity costs, the task force's findings showed that off-take tariff rates for IPP were high and costly for the sector. Aspects of inadequate demand forecasting and planning and an uncoordinated institutional architecture also came to the fore. The report's recommendations included KPLC reforms, standard PPAs, procurement, system loss audits, transparency, and adoption of one- and five-year rolling demand and generation forecasts. Implementing the recommendations was expected to reduce electricity costs by 33 per cent by 31st December 2021.

Some of the key recommendations addressed include the reduction of electricity pricing by 15 per cent in January 2022, against the set target of 33 per cent. In the meantime, in conjunction with energy sector implementing agencies, the Ministry of Energy is developing an energy sector white paper policy to ensure that the proposed reforms as recommended by the task force are well documented and embedded and in line with the law.

In addition, the Kenya Power Company is reviewing contracts with independent power producers (IPPs), which have laid the ground for the renegotiation of the power purchase agreements (PPAs) as the government pushes to reform the country's energy sector and reduce the cost of power by selling power at a lower cost purchase. Implementing the reforms is expected to bring about a sustainable power sector, including putting Kenya Power and Lighting Company firmly back to profitability. Other reforms include a forensic audit of the procurement systems, stock, and staff to enhance the robustness of the company's supply chain processes to anchor them on the principles of value for money, professionalism, and accountability.

Conclusion

Power transmission and distribution losses have shown an increasing trend over the last decade, and currently account for 22.8 per cent of total domestic generation capacity, well above the global benchmark of 15.0 per cent. The losses are mainly due to technical and non-technical aspects and significantly contribute to high electricity prices.

The large commercial and industrial consumers and domestic consumer categories remain central and pertinent in the electricity sector. However, large industrial consumers are shifting to self-generation of electricity due to the high cost of electricity provided by the power utility. This is mainly attributable to the high cost of electricity in the country, and is expected to adversely affect electricity demand, sales and revenue.

The frequent power outages in the country results to additional costs due to power interruptions due to disruption of the production process, resulting in loss of production time, damage to equipment, breakdown of machinery, and loss of materials.

Besides inefficiency losses, poor maintenance, ageing grid infrastructure and vandalism result to electricity outages, which disrupt consumer activities.

Electricity generation has shown an increasing trend in the past years; however, the demand-side which focuses on consumption is still lagging, thus inhibiting the economies of scale for the grid densification and intensification programmes.

Policy Implications

Electricity service providers should invest more in the grid's modernization and subsidiary improved infrastructure to counter the persistent planned and unplanned power outages to enhance the reliability of electricity supply. In addition, grid modernization, which entails a real-time grid monitoring system, is critical in protecting energy infrastructure from vandalism and in reducing transmission and distributive losses that impact the cost of electricity.

Formulation of a Net Metering Framework and actualizing the Mini-grid Regulations 2021 will encourage the development of the distributed generation of power primarily based on renewable energy technologies such as solar photovoltaic (PV) systems, hydropower, and biomass, especially in areas far from the grid hence boosting inclusive and affordable access to power across all regions in the country.

Fast-tracking the formulating legislation that supports the ongoing reforms for the energy sector will be critical in ensuring the longevity of the proposed amendments, investor confidence in the energy sector, affordable electricity prices, and ensuring the power company's financial sustainability.


image: unsplash.com

Economic Activity During Electioneering Period in Kenya

By Josphat Machagua, Elton Khaemba and Robert Onyoni

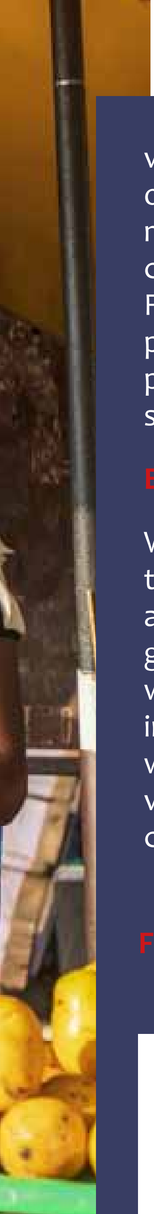
Introduction

Kenya goes to the general elections in August 2022. So far, party primaries have been completed and the campaign period is scheduled to start officially on 29th May 2022. This is the third election since the country promulgated its Constitution in 2010 and ushered in the devolved system of government. The Constitution sets the limit of President term in office to 10 years. As such, the upcoming elections will usher in the 5th President of the Republic of Kenya. A total of 1881 representatives will be elected including 290 Members of Parliament (MPs), 47 Governors, 47 Senators, 47 Women Representatives, and 1,450 Members of County Assemblies (MCAs).

The Government is committed to having a peaceful election. It has put in place various measures, including allocating funds to the Independent Electoral and Boundaries Commission (IEBC) to facilitate conducting smooth general elections and setting up a multi-agency team to synergize operations towards peaceful elections. Further, the government is enhancing security operations and the National Cohesion and Integration Commission (NCIC) is traversing the country sensitizing people on the importance of national cohesion and integration.

Kenya has had various electioneering periods since independence. The first post-independence elections were held on 3rd January 1970, with Kenya as a de facto one-party State under Kenya African National Union (KANU). Thereafter, the country held elections in 1974, 1979, 1983, and 1988. The first multi-party national elections were conducted in 1992 after the repeal of Section 2A of the Constitution, which introduced Presidential term limits and multi-party system. Since then, Kenya has conducted five multi-party elections in 1997, 2002, 2007, 2013, and 2017. The 2002 elections ended an era of 24 years of the Second President of Kenya.

Electioneering periods have in some cases witnessed intensified political tensions and



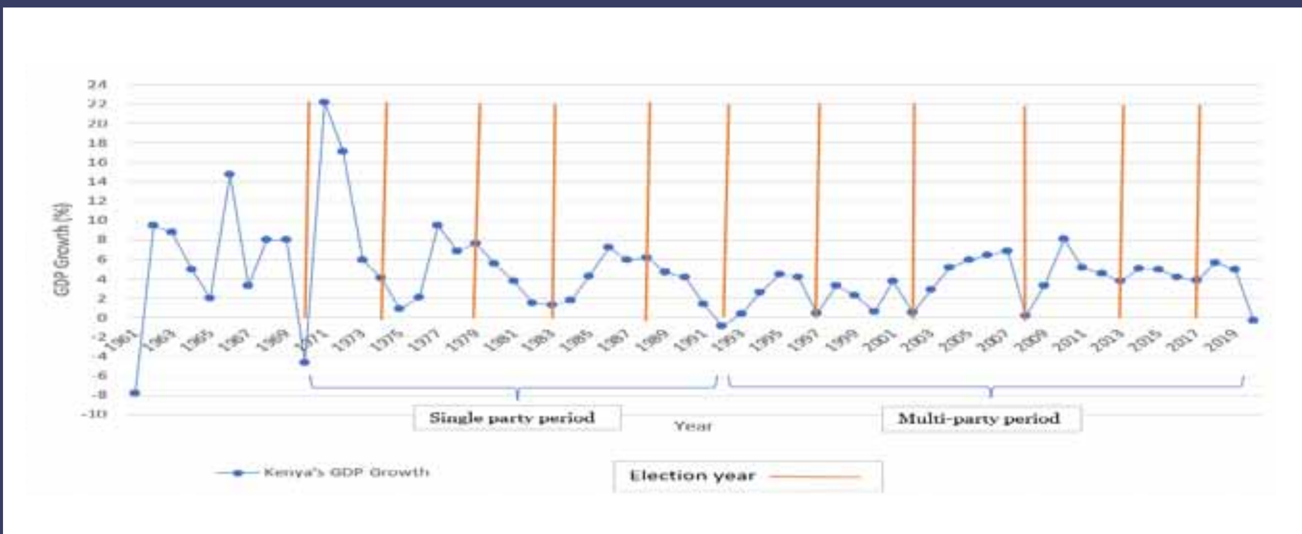
violence. For example, with the introduction of multi-party system, the 1992 elections were marred with ethnic violence and in 2007/08 the country witnessed significant political violence. Further, in 2017 there were heightened political tensions with the nullification of the presidential election which saw a repeat of the same.

> "...the government is enhancing security operations and the National Cohesion and Integration Commission (NCIC) is traversing the country sensitizing people on the importance of national cohesion and integration."

Electioneering and GDP Growth

When elections have heightened political tensions and violence, economic activity is adversely affected. Figure 1 shows the GDP growth performance since independence with a focus on the election periods. Since independence, for the period when elections were marred with political tensions and violence, GDP growth rate averaged 0.5 per cent compared to electioneering period, which were more peaceful. For example, the GDP growth rate dropped significantly by 4.7 percentage points in 1970. Since 2000, economic growth rate during elections with political tensions and violence average 3.7 per cent as compared to more peaceful periods at an average of 4.2 per cent. The economy registered a significant drop of more than 5.5 percentage points following the 2007/08 political crisis. On average, it takes about two years to get GDP growth rate rebound to the levels before the elections when there is a political shock.

Figure 1: GDP growth during Kenya's electioneering periods



Data Source: KNBS (Various), Economic Surveys and Statistical Abstracts

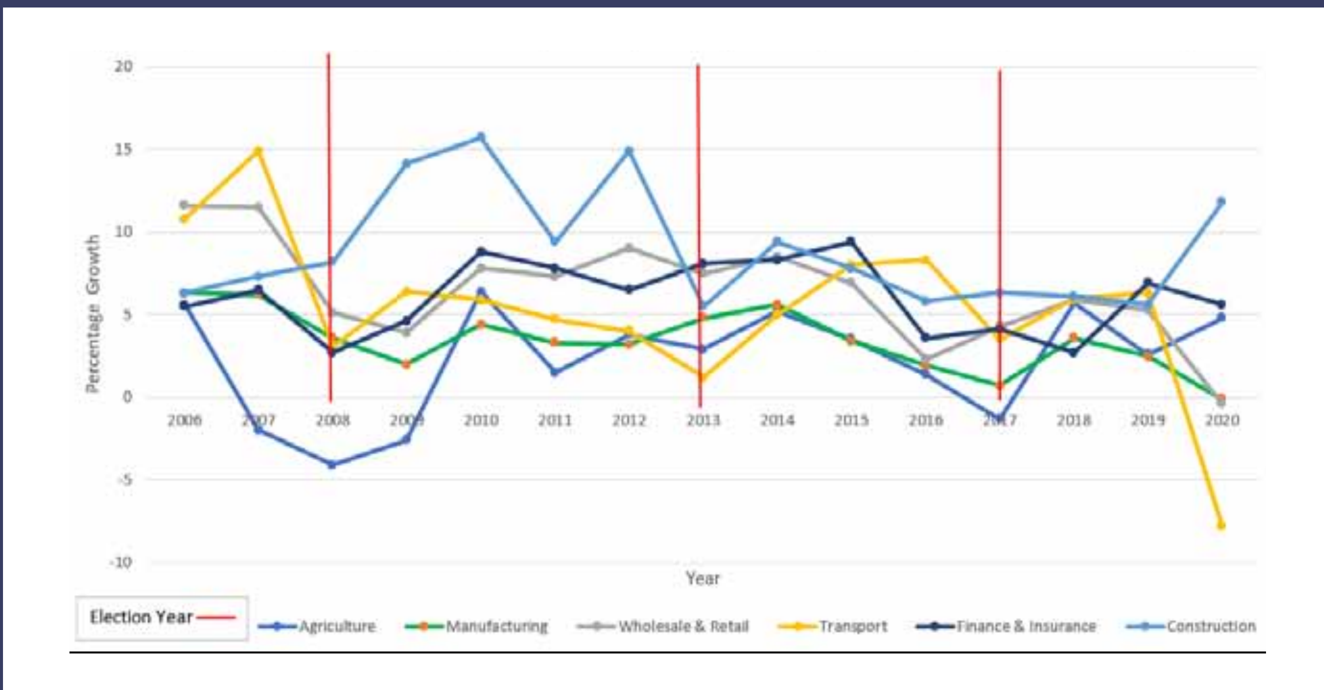
Different sectors respond differently to the electioneering period. For example, agriculture, manufacturing, wholesale and retail trade are hit most with growth rates averaging -0.76, 3.30 and 5.6 percent during the 2007/8, 2013 and 2017 electioneering period, respectively (Figure 2). In 2008, the agricultural sector contracted by 4.1 per cent, more than it did with severe drought condition in 2011. Given that manufacturing depends on agri-based raw materials when agriculture activity slows then manufacturing also slows down. Transport, construction, finance and insurance, seem to remain resilient, registering an average growth of 6.5, 7.5 and 5.4 percentage during electioneering period.

Projected GDP growth in electioneering periods tend to differ significantly from the actual growth rate (Table 1). For example, with political violence in 2007/08, the actual growth rate in 2008 was more than 5.0 percentage points lower than the projected growth. In 2017, the actual growth was more than 2.0 percentage points less than the projected growth. This means that political uncertainty creates a shock characterized by heightened tensions and violence.

Electioneering, Business Confidence and the Wait and see Attitude

Electioneering period can affect economic activity through the business confidence as investors opt to wait and see. Using the Stanbic Purchasing Managers' Index (PMI) to demonstrate this effect (Figure 3a), it is important to note that private sector activities started slowing down two quarters (Jan-March and April-June 2017) prior to the elections in August 2017 and continued in the next quarter (Oct-Dec 2017). In the full year (2017), the PMI index was below 50 for seven straight months from May to November, which signified a persistent waning of private sector confidence due to protracted electioneering. This was compounded by a severe drought in 2017 caused by la nina (low rainfall) and extreme temperatures. Currently, almost four months to the general elections, PMI Index is oscillating the 50 mark (Figure 3b) reflecting partly the opening of the economy with the removal of the mobility restrictions implemented with COVID-19 pandemic, the drought condition and external geopolitical crisis.

Figure 2: Growth of key sectors in Kenya



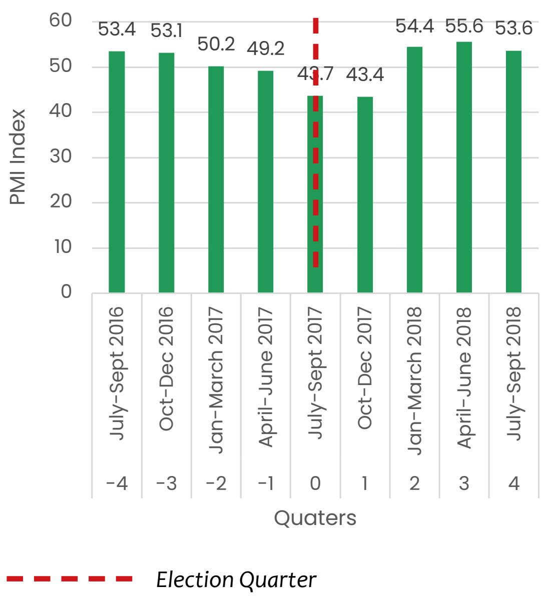
Source: KNBS (Various), Economic Surveys

Table 1: Projected vs actual growth rates

Facility	Economic Classification	2018/19	2019/20	2020/21
2002	1.8	1.4	1.4	1.2
2003	2.8	2.4	2.8	1.8
2004	3.0	2.6	2.6	5.1
2005	5.0	3.6	2.3	5.9
2006	5.8	3.3	3.6	6.3
2007	6.8	6.2	6.4	7.0
2008	5.3	5.8	6.5	1.5
2009	3.0	3.0	2.5	2.7
2010	4.5	4.0	4.0	5.8
2011	5.3	5.8	5.3	5.1
2012	6.1	5.2	6.1	4.6
2013	5.8	5.7	5.8	3.8
2014	5.8	6.2	7.2	5.0
2015	6.8	6.9	7.0	5.0
2016	6.0	7.2	6.0	4.2
2017	5.9	6.1	5.3	3.8
2018	5.8	5.5	6.0	5.6
2019	6.3	6.0	6.1	5.0
2020	6.1	−0.1	−0.3	-0.3
2021	6.6	7.6	5.6	7.6
2022	6.0	5.7	-	-

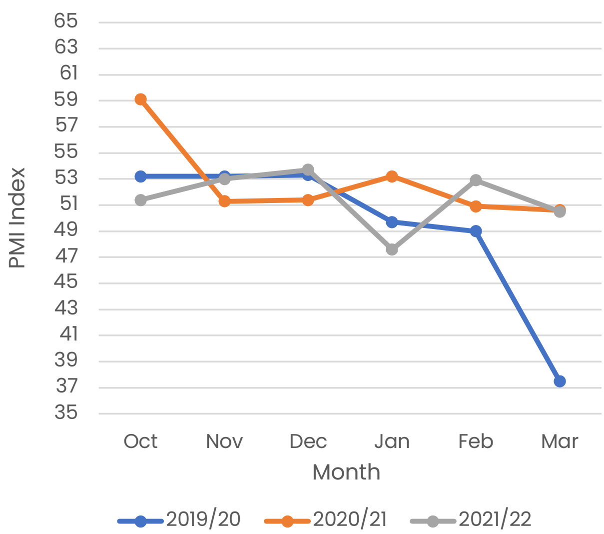
Data Source: KNBS (Various), Economic Surveys; IMF World Economic Outlook, National Treasury

Figure 3a: Stanbic PMI index for Kenya during electioneering period



Data Source: Stanbic

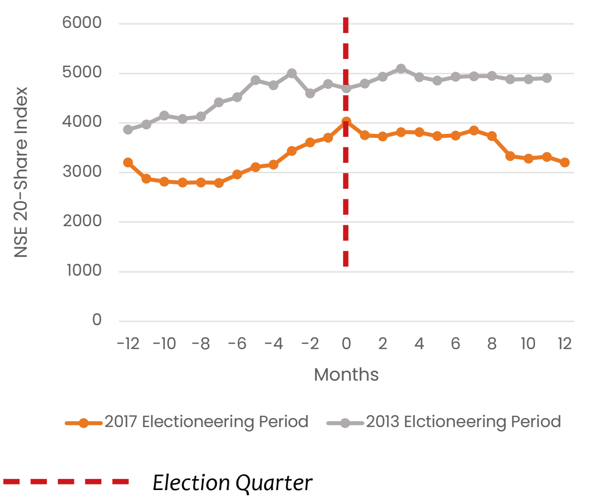
Figure 3b: Trends in Stanbic PMI four months to elections



Data Source: Stanbic Bank

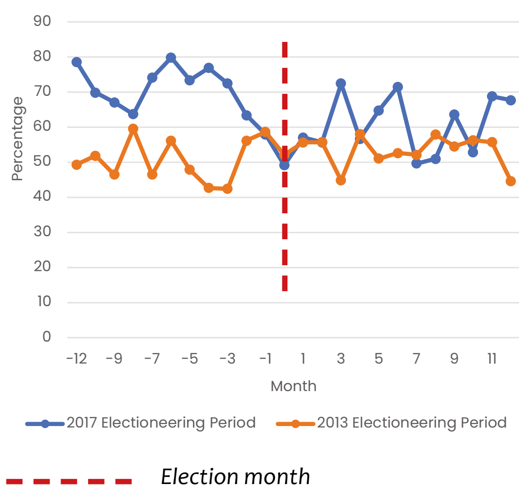
The NSE Index is used as a predictor of economic performance and to reflect on market confidence. While there is buildup of activity in the market in the run up to elections (Figure 4a), it is also clear that foreign investors participation can decline close to the election period (Figure 4b). Four months to the elections the NSE Index has shown a consistent drop since October 2021. The NSE-20 share Index has declined from 1,961 in October 2021 to 1,873 in March 2022, almost to the same level as in previous year (Figure 4c). While this could be a seasonality effect, with the foreign investor participation declining (Figure 4d) investor sentiments cannot be ruled out.

Figure 4a: Figure NSE-20 Share Index-Quarterly



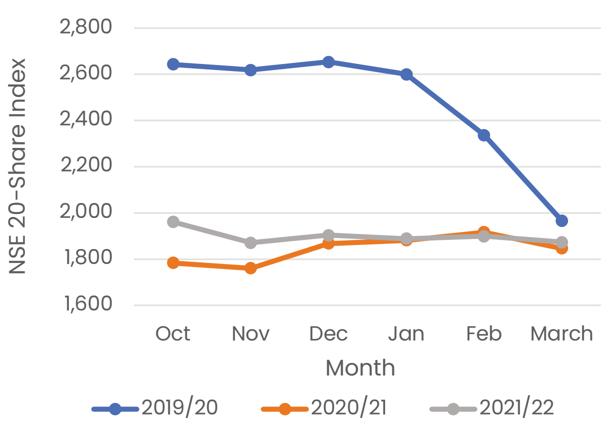
Source: NSE

Figure 4b: Foreign investor participation at NSE



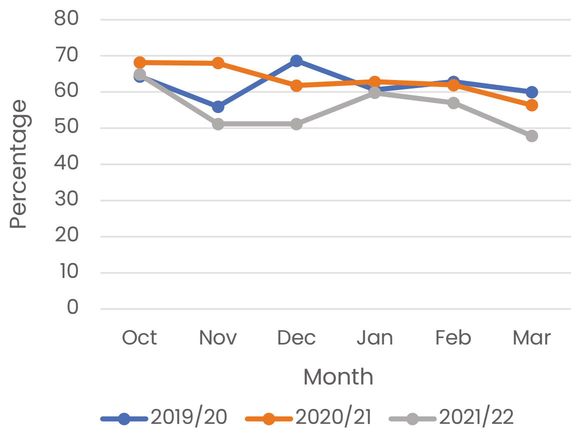
Source: NSE

Figure 4c: NSE 20-Share Index-Monthly



Source: NSE

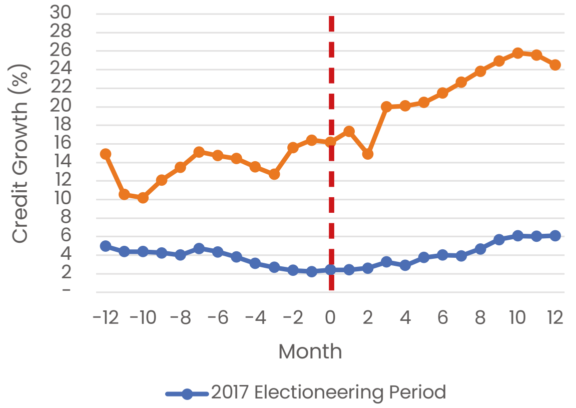
Figure 4d: Foreign Investors – Monthly



Source: NSE

Growth of credit in the private sector also reflects on market confidence. Although the country had peaceful elections in 2013 when growth in credit continued, in 2017 about three months to elections the growth rate had started to decelerate but rebounded back within one year after elections (Figure 5a). So far, with the opening of the economy, credit growth is on an upward trend and is higher than in the previous year (Figure 5b). Looking at the non-performing loans, there seems to be no shock to the credit market with elections (Figure 5c). With the opening of the economy, the non-performing loans have improved six months to the elections mainly due to recovery witnessed of business activity (Figure 5d).

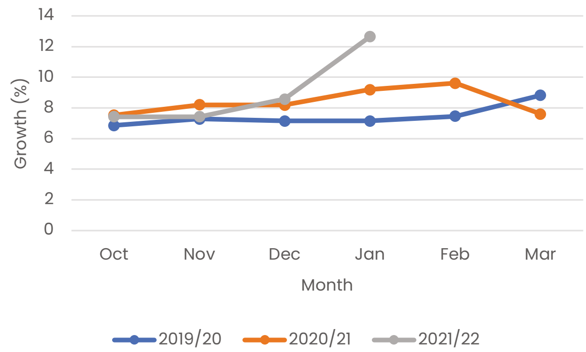
Figure 5a: Credit growth in private sector during electioneering period



Election month

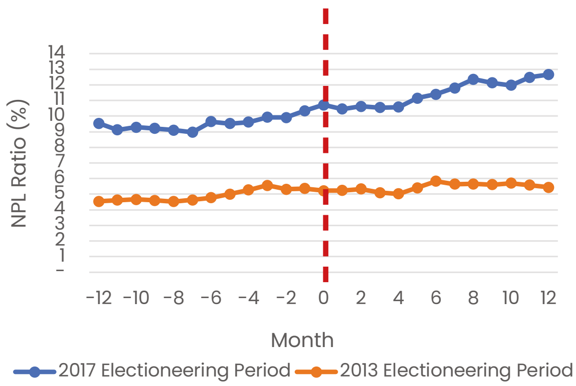
Data Source: CBK Statistical Bulletins

Figure 5b: Credit growth in private sector four months to the 2022 elections



Data Source: CBK Statistical Bulletins

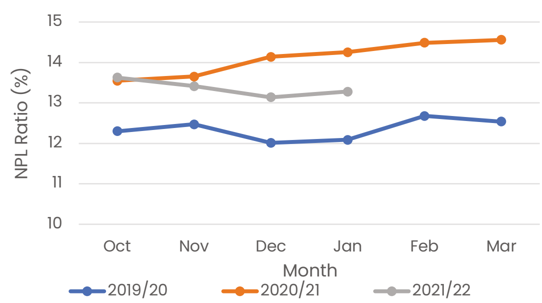
Figure 5c: NPL ratio in electioneering period



Election month

Data Source: CBK Statistical Bulletins

Figure 5d: Gross NPLs ratios by banks



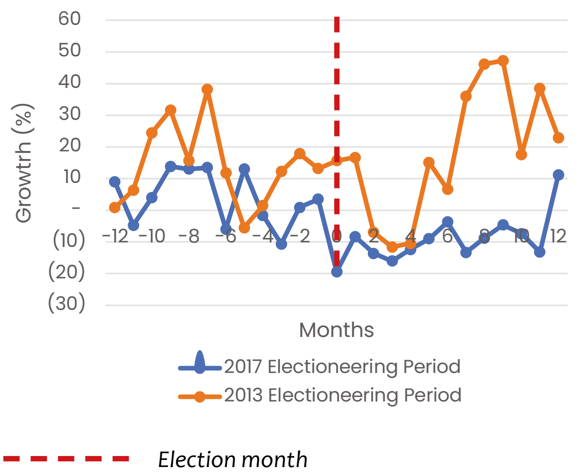
Data Source: CBK Monthly Economic Indicators

Finally, cement consumption (rate of growth) is related to confidence in long-term prospects of the economy. The period before the 2017 and 2013 electioneering periods is characterized by declining growth rate in cement consumption (Figure 6a). However, there is a gradual pick up after the elections. In January 2022, the rate of growth of cement consumption increased from 16.1 per cent in October 2021 to 29.4 per cent (Figure 6b), surpassing similar period in the last two years to signify an uptick in cement consumption. This trend indicates that long term investment especially in private sector are sensitive to the election period.

Conclusion and Recommendation

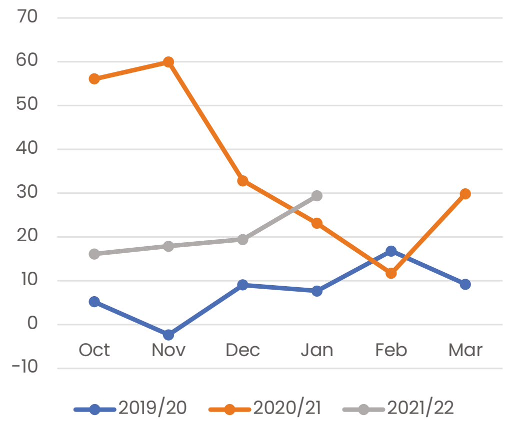
Electioneering periods affect economic activity especially when marred with political tensions and violence. In such situations, there is this shock to the economy with varying responses across the sectors. Investor sentiments are pronounced reflecting on the business confidence with a wait and see attitude. As such, to secure smooth operations of economic activity, it is important that elections are peaceful.

Figure 6a: Rate of growth in cement consumption during electioneering period



Data Source: KNBS Leading Economic Indicators

Figure 6b: Rate of growth in cement consumption



Data Source: KNBS Leading Economic Indicators

A. ACTS OF PARLIAMENT

1. **The National Hospital Insurance Fund (Amendment) Act: This was gazetted on 14th January 2022. The key amendments are:**

   a) Deleting the old title to include the long title as "an Act of Parliament to provide for the establishment of the National Health Insurance Fund; to establish the National Health Insurance Fund Management Board; to provide for mechanisms of contributions to and the payment of benefits out of the Fund; and for connected purposes".

   b) Section 9 is deleted and substituted with a new one on remuneration of members of the Board.

   c) Section 10 is deleted and substituted with a new one on appointment of the Chief Executive Officer.

   d) Inserting of Section 10A on recruitment of a Corporation Secretary.

   e) Section 12 is deleted and substituted with a new section on common seal of the Board.

   f) Inserting of Section 14A on registration as a member of the Fund.

   g) Inserting Section 21A on Establishment of a centralized healthcare provider management system.

   h) Insertion of Section 22A on non-withdrawal of benefits by the Board.

2. **The Political Parties (Amendment) Act: This was gazetted on 28th January 2022. The principal object is to amend the Political Parties Act; and for connected purposes. The key amendments are:**

   a) Section 3 of the principal Act is amended by inserting "(2A) A citizen of Kenya who has attained the age of eighteen years may, subject to the provisions of this Act and any other law, join a political party— (a) upon the payment of the party's membership fees; and (b) complying with any other requirements as prescribed by the party".

   b) Inserting of Section 4A stating the roles and functions of a political party.

   c) Inserting of Section 4B to indicate reservation of name, symbol and slogan.

   d) Inserting of Section 14A by stating the grounds upon which a member may be deemed to have resigned from a Political Party.

e) Inserting of Section 14B indicating grounds upon which a member may be expulsed from a Political Party.

f) Inserting of Section 34B, which provides establishment of political parties' management information system.

g) Inserting of Section 34C, which states the powers of the registrar in respect of political parties' records.

h) Inserting of Section 38A-38I, which provides for party nominations.

B. NATIONAL ASSEMBLY BILLS

1. **The Elections (Amendment) Bill, 2022:** This was gazetted for introduction into the National Assembly on 28th January 2022. The principal object of the Bill is to amend the Elections Act 2011.

   a) **Clause 1** provides for the short title of the Bill.

   b) **Clause 2** seeks to amend section 2 of the Act to provide for a clearer definition of "nomination" and "political party". The Bill also deletes the definition of "nomination day" in the Act. Lastly, the Bill seeks to define the term "registration of candidates" in relation to selection and election of party candidates to cater for the inclusion of new provisions on conduct of party nominations which are to be introduced into the Act.

   c) **Clause 3** seeks to amend Section 5 of the Act to provide that a person must present a valid Kenyan passport during registration as a voter.

   d) **Clause 4** seeks to repeal Section 6(2) of the Act.

   e) **Clause 5** seeks to amend Section 7 of the Act to provide f or qualifications for transfer of registration.

   f) **Clause 6** seeks to amend Section 8A of the Act, which relates to the audit of the register of voters by deleting subsection (3) as it makes reference to the first general election after the commencement of the Election Laws (Amendment) Act, 2016. The provision required the Independent Electoral and Boundaries Commission (IEBC)to engage a professional firm to conduct an audit of the register of voters for the purposes of the first general election.

   g) **Clauses 7, 8, 9, 10, 11, 12, 13, 14, 18 and 19** seek to amend Sections 14, 16, 17, 19, 22, 23, 24, 25, 32 and 33 of the Act respectively by deleting the word "nominations" and substituting it with the words "registration of candidates". This will ensure that there is a clear delineation of the roles of IEBC vis-a-vis the role of the Registrar of Political Parties during nominations or registration of candidates.

   h) **Clause 15** amends section 27 of the Act to provide that a party shall submit to IEBC a certified copy of its nomination rules issued by the Registrar of Political Parties. Further, the clause provides that in the case of a coalition political party, the coalition political party shall submit a certified copy of its nomination rules issued by the Registrar of Political Parties within fourteen days of its registration.

   i) **Clause 16** amends section 28 of the Act to provide that a party shall submit to the

Commission a certified copy of the membership lists from the Registrar of Political Parties. The clause further proposes to reduce the timeline for submission of party membership lists from 120 days to 90 days.

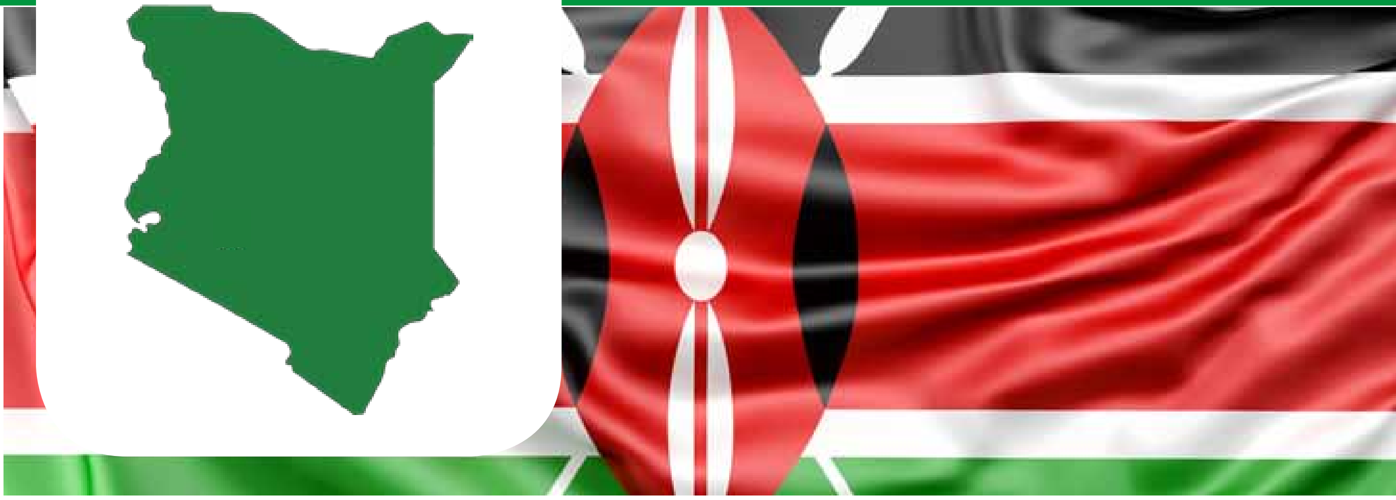
j) **Clause 17** amends section 31 of the Act by deleting subsections (2), (2B), (2C), (2E) and (2F).

k) **Clause 20** seeks to amend section 39 of the Act to provide for the flow of election results for a presidential election from the presiding officer to the IEBC.

l) **Clause 21** seeks to amend section 44A of the Act to provide for complimentary mechanisms for voter identification and transmission of election results.

m) **Clause 22** seeks to amend section 74 of the Act to provide for a time limit of 48 hours for lodging an electoral dispute with IEBC.

n) **Clause 23** seeks to amend section 75 of the Act to provide that the decision of the High Court on an appeal on the election of a member of a county assembly shall be final.

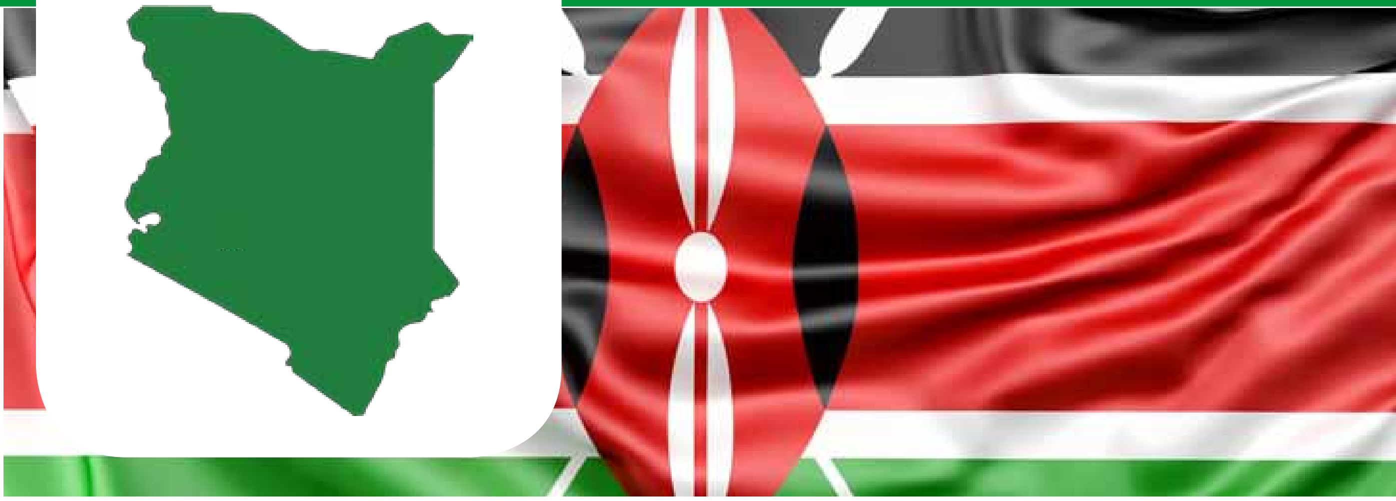


Kenya and China Bilateral Ties

Kenya and China signed six agreements to cement their bilateral cooperation during a two-day official visit to Kenya by the State Councilor and Minister for Foreign Affairs of the People's Republic of China, H.E. Wang Yi on 5th – 6th January 2022. The agreements covered a range of areas, including trade and investment, agriculture and food security, Information and Communication Technology (ICT) development, general economic cooperation, and provision of humanitarian assistance to families most affected by the COVID-19 pandemic. The Cabinet Secretary for Foreign Affairs, Ambassador Raychelle Omamo, led the Kenyan delegation during the bilateral talks that focused on joint efforts to implement Kenya and China's Comprehensive Strategic Cooperation Partnership agreement signed in 2018. During the meeting, the two sides affirmed their commitments to the Dakar Declaration and the Dakar Action Plan that emerged from the 8th Conference of Ministers of the Forum on China Africa Cooperation (FOCAC) held in Dakar, Senegal on 29 – 30 November 2021. The two sides also discussed the impact of COVID-19 pandemic globally and efforts being made to combat it. They also agreed to explore mechanisms for strengthening multilateral cooperation at the United Nations Security Council and the African Union levels to address threats to peace and security in the continent.

Kenya and Hungary Bilateral Ties

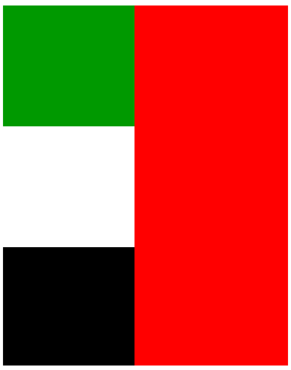
The President of Hungary, H.E. Janos Ader, made a four-day state visit to Kenya on 16th– 19th January 2022. During the visit, President Uhuru Kenyatta hailed the strong bilateral ties between Kenya and Hungary, noting that the relationship was majorly driven by economic cooperation, trade, investments, health, agriculture, education, and training. The two countries have enjoyed warm and strong bilateral relations dating back to 1964 when Hungary established a diplomatic mission in Nairobi. During the bilateral talks, President Kenyatta regretted the low volumes of trade and investment between the two countries in the past five decades despite the potential. Nonetheless, the President was optimistic that efforts to promote greater linkages and networks between the private sector and business communities could be crucial in taking advantage of economic opportunities in the two countries. President Kenyatta highlighted the



importance of multilateralism in tackling global issues such as climate change. The President assured his Hungarian counterpart that Kenya would continue to use its experience as a peace mediator to champion for sustainable stability in Africa, especially in the Horn of Africa. To expand its diplomatic footprint in Central and Eastern Europe, President Kenyatta announced Kenya's plan to set up a diplomatic mission in Budapest, Hungary at the earliest opportunity.

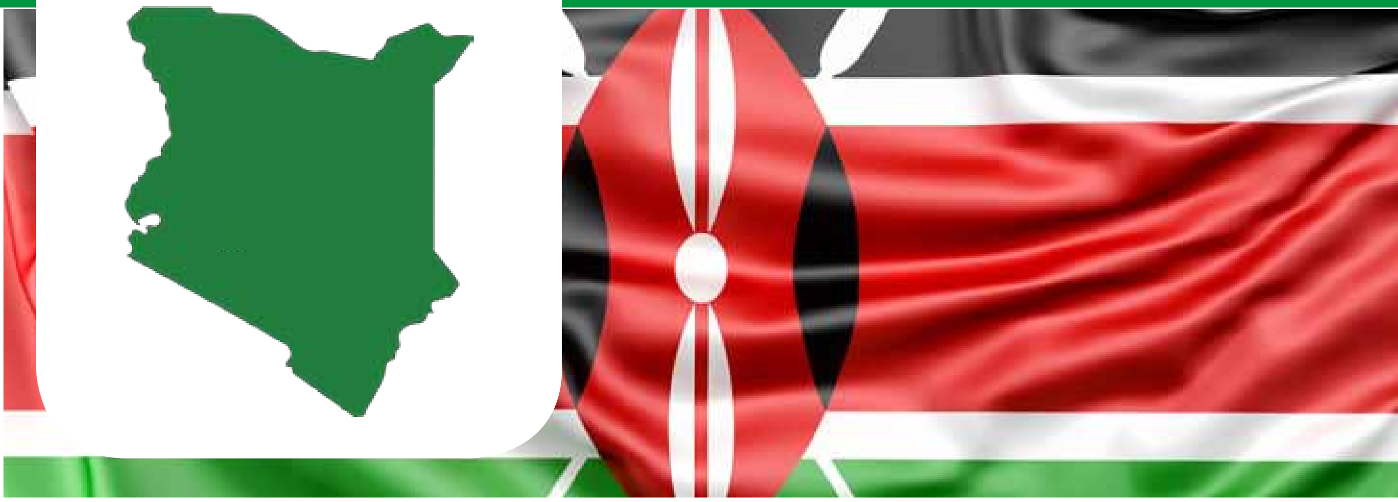
Reopening of Rwanda-Uganda Border

President Uhuru Kenyatta held bilateral talks with President Paul Kagame of Rwanda who was in the country for a working visit on 3rd February 2022. During the meeting, President Kenyatta hailed the move by Rwanda to reopen its northern border with Uganda at Gatuna after a three-year closure. Rwanda announced January 31st as the opening day as the two East African Community (EAC) partner States continue to work on outstanding issues that led to the closure of the common border in February 2019. President Kenyatta and his Rwandan counterpart discussed a range of areas, including trade, transport, regional peace, and security. The President noted that Rwanda's strategic location in the region makes it an important trading partner to Kenya, especially as a gateway to Eastern Democratic Republic of Congo and other countries in the Great Lakes region. The two leaders also affirmed their commitment of working together in finding lasting solutions to conflicts in Ethiopia, South Sudan, Somalia, and Sudan. At the same time, the two heads of State promised to continue championing the ideals of the EAC for the benefit of citizens in the partner States and the wider region.



President Kenyatta Graces Expo 2020 Dubai

President Uhuru Kenyatta made a three-day working visit to the United Arab Emirates (UAE) from 14th -16th February 2022. The President graced the Kenya national day at the Expo 2020 Dubai and later officially opened the high-level Kenya-UAE business forum that provided him with an opportunity to showcase business and investment opportunities that are available in Kenya. The visit also provided an opportunity for



Kenya and the UAE to enhance bilateral relations founded on shared historical ties. On 15th February 2022, President Kenyatta held bilateral talks with His Highness Sheikh Mohamed Bin Zayed Al Nahyan, the Crown Prince of Abu Dhabi and Deputy Supreme Commander of the UAE armed forces at the Sea Palace, Abu Dhabi. The two leaders agreed to strengthen bilateral ties between Kenya and UAE for the mutual benefit of citizens of the two countries. Further, President Kenyatta and the Crown Prince agreed on the need for Kenya and UAE to explore the possibility of signing a Free trade agreement to enhance trade. They also discussed measures to undertake to address the trade imbalance that is currently in favour of the Gulf country. President Kenyatta also spoke at the Kenya-Gulf Cooperation Council (GCC) States Business Forum in Dubai held on the margins of the Expo 2020 Dubai. The President observed that enhancing trade between Kenya and the GCC countries would help to address the urgent need for jobs and economic opportunities for the youth. He also urged the business leaders to develop a special trading framework that will give preference to small and medium enterprises in the East African Community and the GCC.

Democratic Republic of Congo Officially Joins EAC

The official admission of the Democratic Republic of Congo (DRC) into the East African Community (EAC) on 29th March 2022 is a major milestone as the EAC now spans from the Indian Ocean to the Atlantic Ocean. DRC was admitted during the 19th Ordinary EAC Summit following recommendation by the EAC Council of Ministers. The current Chairperson of the Summit, President Uhuru Kenyatta, informed the meeting that the new member had met all the set criteria for admission as provided for in the treaty for the establishment of the EAC. DRC's President, Felix Tshisekedi, welcomed the admission of his country as the 7th partner State of the bloc, noting that the historic move would pave way for the harmonization of the country's policies with those of the EAC. DRC is expected to sign the Treaty of Accession before 14th April 2022. With DRC's population of over 90 million people, the EAC now offers a combined market of almost 300 million, with an impressive resource portfolio of cobalt, coltan, uranium, gold, diamond, aluminum, copper, and other precious minerals. With a size of 2.3 million km2 of land, DRC is the largest country in Sub-Saharan Africa. The country has Africa's largest freshwater reserve, a huge hydraulic power potential and 152 million hectares of forest with exceptional biodiversity. DRC is expected to benefit from the EAC Common Market and Customs Union frameworks, reduction of charges and increase in commercial and economic activities of Congolese citizens and the facilitation of their mobility between EAC partner States. However, DRC has to overcome infrastructural under-development and insecurity, especially in the eastern part of the country.

New Border Posts will Decongest Busia and Malaba Border Points

The Northern Corridor is exploring alternative routes within the region to increase cargo haulage and reduce backlog at Busia and Malaba border points. The corridor is critical for regional trade as it links the port of Mombasa to hinterland countries, including Uganda, Rwanda, Burundi, South Sudan, and eastern Democratic Republic of Congo. Currently, Lwakhakha (Kenya-Uganda border), Nadapal (Kenya-South Sudan border) and Todonyang (Kenya-South Sudan-Ethiopia border) are the alternative routes being considered. The increasing volumes of traffic on the Northern Corridor has stretched Busia and Malaba border stations, leading to long queues of trucks and delays in clearance of freights. According to the June 2021 Northern Corridor Observatory Report, the total cargo throughput at Mombasa increased in

the past five years from 27 million tonnes in 2016 to 34 million tonnes in 2020 against a target of 35.90 million tonnes. Total trade along the corridor is estimated at US$ 3.17 billion with imports accounting for about 80 per cent. While a survey conducted in October 2021 to explore alternative routes showed that member countries have made considerable strides in the development of transport infrastructure on the Corridor, it was noted that alternative routes will be critical in easing congestion at the current two major border stations of Busia and Malaba. The Northern Corridor transport infrastructure comprises roads, a railway, a pipeline, inland waterways, border stations, cargo freight stations and weighbridges. The 2007 Northern Corridor Transit and Transport Agreement (NCTTA) has provided the legal framework for the corridor in the past 15 years. The signatories to the NCTTA are Burundi, DRC, Kenya, Rwanda, South Sudan, and Uganda.

The EAC Monetary Union

The implementation of the East African Community's Monetary Union by the 2024 target is unlikely due to delays in establishing certain laws and institutions. An audit commission by the East African Legislative Assembly found that four Monetary Union Institution Bills are pending. While two bills are yet to be assented to by the East African Community (EAC) Heads of State, the other two are being reviewed by the Sectoral Council on Legal and Judicial Affairs. Similarly, there has been delay in setting up the institutional framework for the operationalization of the EAC Monetary Union. The East African Monitor Institute, which was supposed to be set up by 2015, is yet to be established. The key role of the Institute (a precursor of to the East African Central Bank) includes building the bloc's capacity to activate the single currency. Other pending institutions include the East African Bureau of Statistics, the East African Financial Services Commission and the East African Surveillance Compliance and Enforcement Commission. The timeline for establishing the three institutions was 2018. In addition, the operationalization of the Monetary Union requires the full implementation of the Customs Union and Common Market Protocols to ensure sufficient trade integration, openness of labour mobility, capital mobility and exchange rate flexibility.

Pandemic and Insecurity Dominate the AU Assembly Summit

The African Union (AU) 35th Ordinary Session of the Assembly of Heads of State and Government was held on 5th and 6th February 2022 in Addis Ababa, Ethiopia under the theme: "Building Resilience in Nutrition and Food Security on the African Continent: Strengthen Agriculture, Accelerate the Human Capital, Social and Economic Development." The opening session was dominated by calls for continued African solidarity in addressing the impact of COVID-19 in Africa, the urgent need to address the emerging scourge of unconstitutional changes of governments through military coups and threats of terrorism, especially in the Sahel region, Lake Chad Basin, and the Horn of Africa. In the past two years, there have been successful coup d'états in Mali, Guinea, Chad, Sudan, and Burkina Faso. Other countries such as Niger and Guinea-Bissau have survived coup attempts in the recent past. The Chairperson of the AU Commission, Moussa Faki Mahamat, informed the African leaders that the Africa Centre for Disease Control (CDC) and the African Medicines Agency will play a critical role in promoting the continent's public health strategy. He noted that the coronavirus pandemic led to a contraction in growth by 2.1 per cent in 2020 and an increase in debt. The full operationalization of the Africa CDC has received support from across the continent as leaders urge for it to be more autonomous to implement disease prevention and control plans. The Africa CDC was created in March 2017 and played a significant role in containing Ebola in the DRC between August 2018 and June 2020. At the same time, the African Union Peace and Security Council called for self-funded, free, credible, and fair polls and commitment of the AU Member States to democracy, rule of law and good governance to promote political stability and peacebuilding and prevent conflict.

Kenya Deposits Democracy Charter and Two Protocols at the AU

Kenya deposited three instruments of accession to the African Union (AU) Office of Legal Counsel in Addis Ababa on 5th February 2022 on the sidelines of the 40th Ordinary Session of the AU Executive Council ahead of the commencement of the 35th Ordinary Session of Assembly of the Union (5th - 6th February 2022). The deposited instruments are African Charter on Democracy, Elections and Governance (ACDEG); the Protocol to the African Charter on Human and People's Rights on the Rights of Older

Persons in Africa; and the Protocol to the African Charter on Human and People's Rights on the Rights of Persons with Disabilities in Africa. By depositing the three instruments, Kenya demonstrates its support for the AU's aspiration for a continent in which member States uphold principles of good governance, democracy, constitutionalism, respect for human rights and rule of law.

Kenya Chairs the African Peace and Security Council for February

Kenya assumed the Chair of the African Union Peace and Security for the month of February, taking over from Ghana. The key events for the Peace and Security Council (PSC) in February 2022 include holding two meetings at ambassadorial level to consider the situation in Sudan and Guinea; receiving an update on the status of consultations on Africa Mission in Somalia (AMISOM) post 2021; a meeting at ministerial level (open session) on urbanization, women, peace and security; follow up on the implementation of the Nairobi Declaration on Terrorism and Violent Extremism in Africa; undertaking two field missions by PSC to South Sudan and Sudan within the spirit of supporting the implementation of the Revitalized Agreement in South Sudan and support to the transition process in Sudan. Kenya will also be pushing for another round of discussions on the contested territory of Western Sahara (252,120 km^2), claimed by Morocco. The African Union Peace and Security has 15 members with equal powers. All members are elected by the AU Executive Council and endorsed by the AU Assembly of Heads of State and Government. For continuity, five members are elected for three-year terms and 10 for two-year terms. Geographical distribution is as follows: Eastern Africa (3), Southern Africa (3), Central Africa (3), Western Africa (4) and Northern Africa (2).

Brussels Hosts Sixth European Union-African Union Summit

The European Union (EU) and African Union (AU) leaders have agreed on a joint vision for a renewed partnership during the sixth EU-AU summit held in Brussels, Belgium on 17th and 18th February 2022. The meeting was co-chaired by the President of the European Council, Charles Michel and the President of Senegal and the Chairperson of the AU, Macky Sall. The aim of the partnership includes solidarity, security, peace and sustainable and sustained economic development and prosperity for citizens of the two blocs. Specifically, the partnership aims to promote common priorities, shared values and international law and preserve interests and common public goods. The leaders at the two-day meeting announced an Africa-Europe Investment Package of EUR 150 billion that will support the realization of the United Nations 2030 agenda for sustainable development and the AU Agenda 2063. The investment package will help build more diversified, inclusive, sustainable, and resilient economies. The package aims to boost public and private investment in several sectors, including energy, transport, and digital infrastructure. Through green transition programme, the package will support the implementation of the national plans of African States under the Paris Agreement. Digital transformation aims to support connectivity and affordable and better access to the digital and data economy. Leaders at the summit delved on the COVID-19 pandemic, with focus on rallying calls to address vaccine equity and transfer of vaccine technology. The EU reaffirmed its commitment to provide at least 450 million vaccine doses to Africa in the next one year.

African States Picked for Vaccine Technology Transfer

The World Health Organization (WHO) selected six African countries on 18th February 2022 to pilot the technology transfer programme for COVID-19 vaccines. Egypt, Kenya, Nigeria, South Africa, Senegal, and Tunisia will receive mRNA (messenger ribonucleic acid) technology as one of the ways to address vaccine shortage, thus boosting vaccine equity. The selected African countries will benefit from the global mRNA technology transfer hub established in 2021 to support manufacturers in low and middle-income countries to produce their own vaccines. The WHO will work with companies and the government in each country to develop a roadmap for training and production, based on their needs and capacities. According to the WHO, the COVID-19 pandemic has demonstrated how reliance on a few companies to supply global public goods has grave danger and limitations. The announcement on the beneficiaries of the mRNA technology transfer pilot was made at the sixth EU-Africa summit held in Brussels. President Uhuru Kenyatta welcomed the selection of Kenya, noting that the gesture demonstrates the power of partnerships to change the trajectory of Africa's health for the better. The President added that the selection was a vote of confidence for local scientists and institutions across the continent.

Strategic Interests in Horn of Africa: China Appoints Special Envoy

China appointed a veteran diplomat, ambassador Xue Bing, as its special envoy for the Horn of Africa on 22nd March 2022. The envoy will play a considerable role in the implementation of China's Outlook on Peace and Development in the Horn of Africa that aims to support regional countries in the Horn of Africa in addressing security, development and governance challenges and achieving regional peace, prosperity, and long-term stability. Ambassador Xue's main responsibility is to consult with regional countries, promote the implementation of the Outlook and bring benefits to the countries and citizens in the Horn of Africa. The key contents of the Outlook are as follows: first, to strengthen intra-regional dialogue to overcome security challenges. China supports resolving of regional issues by regional States through negotiation and consultation. China proposes that regional countries hold a peace conference as a platform to develop a political consensus and coordinate joint actions on handling divergences and resolving internal conflicts through dialogue and consultation. Second, to accelerate regional revitalization to overcome development challenges as the Horn has an advantageous geographical location and abundant natural resources. China proposes to strengthen the two main axes of the Mombasa-Nairobi railway and the Ethiopia-Djibouti railway, while accelerating the development along the coasts of the Red Sea and of East Africa. Third, to explore effective ways to overcome governance challenges in the Horn of African countries. China supports the regional States in seeking development paths that suit their own national contexts and strengthening exchanges among themselves on national governance, with useful experience to break through governance bottlenecks.

Russia-Ukraine Tensions Dominate Munich Security Conference

Delegates from around the world attending the annual three-day Munich Security Conference in Munich, Germany held from 18th–20th February 2022 called for de-escalation of the Russia-Ukraine crisis. During the opening session on 18th February, the United Nations Secretary General, Antonio Guterres, warned that a conflict in Ukraine would be catastrophic, calling for contending parties to de-escalate. With unprecedented deployment of Russian troops on the border of Ukraine, there is growing fears that Europe security could be compromised, especially in the Baltic States in the event of an invasion, with ramification to the entire continent. Munich Security Conference (MSC) is the world's leading forum for debating international security policy with an objective of building trust and contributing to the peaceful resolution of conflicts by sustaining a continuous and informal dialogue within the international security community. MSC provides an avenue for official and non-official diplomatic initiatives and ideas to address the world's most pressing security concerns. Some of the world leaders present at the conference included the Chancellor of Germany Olaf Scholz, Ukrainian President Volodymyr Zelensky, US Vice President Kamala Harris, UK Prime Minister Boris Johnson, NATO Secretary General Jens Stoltenberg, European Council President Charles Michel, and Chairperson of the AU Commission Moussa Faki Mahamat.

A. Demand-Driven Projects

Kisumu Local Economic Development Plan

KIPPRA is currently supporting the County Government of Kisumu to develop a Kisumu Local Economic Development Plan. The Local Economic Development Plan will bring together all pre-existing visions and plans to attain the SDGs while considering Kisumu's strengths and assets. Among other developmental aspects, the Local Economic Development Plan aims to analyze the major trends and opportunities of an integrated local economic development, considering the significant impact of COVID-19 and consolidating all opportunities for private sector investment for city development.

A Cost-Benefit Analysis of a Research Reactor Project in Kenya

KIPPRA is supporting the Nuclear Power and Energy Agency in conducting a Cost-Benefit Analysis of a research reactor project in Kenya. The objective of the study is to provide information that will be useful for determining the economic and financial feasibility of the project. The analysis will inform budgetary considerations for the project, considering overall lifetime costs and expected revenue based on the planned utilization of the research reactor.

B. Collaborative Projects

The Domestic Savings Shortfall in Sub-Saharan Africa: What Can Be Done About It?

KIPPRA, in collaboration with UNU-WIDER, is working on a book on savings titled "The Domestic Savings Shortfall in Sub-Saharan Africa: What Can Be Done About It?" This is motivated by the need to increase domestic savings rates in Sub-Saharan Africa for economic growth to be realized. The book intends to close the gap in knowledge about drivers of domestic saving rates in Sub-Saharan Africa; whether alternative approaches, such as pension funds or fintech could provide new solutions to increase domestic savings; and lessons learnt from the experiences so far in different countries in Sub-Saharan Africa and other regions that have been successful in raising savings rates. The findings of the research will be in tandem with the Addis Ababa action agenda of the United Nations on financing for development, which provides a new global framework for financing sustainable development by aligning all financing flows and policies with economic, social and environmental priorities. Preliminary findings of the project were shared in a hybrid domestic savings workshop held from 16th -17th March 2022, organized by KIPPRA in collaboration with UNU-WIDER. A total of 11 papers were presented with KIPPRA presenting three of them.

KIPPRA-AERC Institutional Partnership Grant

KIPPRA has received an Institutional Partnership Grant from Africa Economic Research Consortium (AERC) towards building capacity to conduct research and support human capital development in Africa (HCA) through institutional partnership. The grant aims to build capacity that involves systematic mentoring of young researchers by international resource persons who are experts in their fields of research. This project presents an opportunity from a research perspective to establish priority research and investment areas for the government, aimed at ensuring that fundamental rights, including right to highest attainable standard of health, quality education, training, and skills development, and freedom from hunger and access to safe clean water are attained. The institutional support will cover the following components: Thematic research on provision and financing human capital investment in Kenya; capacity building of researchers, strengthening KIPPRA ICT institutional systems, including KIPPRA policy virtual centre; strengthening partnerships and collaborations in human capital; capacity building (internal and external); and knowledge management, dissemination, holding joint workshops and policy uptake of recommendation emanating from Human Capital Country Case studies. Under this grant, KIPPRA will also implement studies on human capital development. These include: i) The contribution of school and non-school environment on pupil performance: A case for teacher development; ii) Do social assistance interventions foster education attainment in Kenya? An empirical perspective; among others.

KIPPRA Demand-Driven and Collaborative Research Projects

Implications of COVID-19 on Essential Health Services in Kenya

KIPPRA, in collaboration with Africa Economic Research Consortium (AERC), is conducting research on understanding the short and long-term effects of COVID-19 on Kenya's health system. KIPPRA is developing a research paper addressing the following objectives: Assess the implications of the COVID-19 on the delivery of healthcare services, including availability and distribution; the level of preparedness with essential equipment, health workers, medicines; and information in the crisis period. The impact of COVID-19 on the provision of public health services amidst the pandemic will be tackled while identifying strategies of adequately and appropriately providing public health services amidst the pandemic.

Children Sensitive Planning and Budgeting, Public Finance for Children (PF4C): From Evidence to Policy Project

KIPPRA, in collaboration with UNICEF, is providing technical assistance to county governments to implement recommendations of the county budget briefs, Public Expenditure and Financial Accountability (PEFA) and poverty profiles for improved service delivery. The Institute is also supporting transitioning UNICEF county level support to be fully reflected on plans and budgets (including UN Women and UNDP support). The Institute is planning to develop the seven (7) National Budget Briefs (2017/18-2021/22) and set up a virtual policy centre platform for supporting county governments. The seven national budget briefs will focus on macro public finance management; education and training; health; child protection; nutrition; water, sanitation and hygiene; and social protection. The programme is being implemented in partnership with the Council of Governors, County Assembly Forum, UNICEF, Un-Women and UNDP.

Youth and Children Dashboard

KIPPRA and the Executive Office of the President Advisory and Strategy Unit (PASU) are working on the migration of the employment initiative mapping tool, the Youth and Children Dashboard, to be hosted at KIPPRA. KIPPRA will develop, update and host the portal on youth and children indicators and support its utilization by the public, Ministries, Departments and Agencies (MDAs), counties, researchers, policy makers, private sector, non-State actors (NSAs) and other stakeholders.

KIPPRA Demand-Driven and Collaborative Research Projects

What Works for Youth Employment in Africa: A Review of Existing Policies and Empirical Analysis Project

KIPPRA, in collaboration with the Partnership for Economic Policy (PEP) and the Mastercard Foundation, are conducting a comprehensive review of youth employment policies and initiatives in Kenya; and of empirical studies on their impact, while identifying and promoting best practices. The project will also involve understanding of the functioning of formal and informal employment institutions in Kenya and to a large extent the Global South. Other participating countries are Ethiopia, Ghana, Kenya, Nigeria, Rwanda, Senegal, Uganda, Burkina Faso, Niger and South Africa. The Kenya research team was drawn from KIPPRA, National Youth Council, Ministry of Labour and Ministry of ICT Innovation, and Youth Affairs. The project will also involve capacity building and mentorship by senior researchers and policy makers on labour market issues. The project objectives were also highlighted by the PEP Executive Director, Prof. Jane Mariara during the youth employment workshop held on 18th March 2022 at Utalii Hotel.

Urban Economic Growth in Africa: A Case Study for Nairobi City

KIPPRA, in collaboration with Africa Growth Initiative at Brookings Institution, is conducting research on urban economic growth in Africa: a case study of Nairobi city. The study aims at addressing challenges faced by the urban population in Nairobi, including lack of productive jobs, inadequate housing, low levels of accessibility, and high costs relative to development. The study will develop a framework detailing the primary constraints to Nairobi city's ability to benefit from agglomeration and generate productive jobs - accessibility, business environment, and public sector governance. The official launch of the study took place on 30th September 2021 and preliminary analysis is currently being conducted. The report is set to be officially launched during the Africities Conference in Kisumu in May 2022.

Making Agri-Tourism Markets Work for Sustainable Food Systems in Sub-Saharan Africa

KIPPRA, in collaboration with Agriluxe Marketing (ALM) plc South Africa, are undertaking research on "Driving food systems transformation in Kenya via agritourism markets" that aims to explore the synergy between the agriculture and tourism sectors (with inputs from other sectors) and how they will contribute to transforming Africa's food systems on all the three dimensions/measures of food systems sustainability: economic, social, and environmental. The project will provide insights on linkages of the sector with sustainable food systems and agritourism value chains. The first stakeholder consultative roundtable was held on 16th March 2022 to solicit stakeholder views on the project and pick up issues that institutions are working on related to agritourism at the initial stage of the project.

KIPPRA Demand-Driven and Collaborative Research Projects

The KENYA INSTITUTE for PUBLIC POLICY RESEARCH and ANALYSIS

Food Systems Research Network for Africa (FSNET Africa) - ARUA-UKRI GCRF research excellence project

KIPPRA, which is the Kenya Node hosting institution for Food, Agriculture, and Natural Resources Policy Analysis Network (FANRPAN), is supporting the implementation of FSNet-Africa ARUA-UKRI GCRF Research Excellence Project, which is a collaborative initiative between University of Pretoria (UP), the University of Leeds (UK), and the Food, Agriculture, and FANRPAN. It is a research excellence project funded by the Global Challenges Research Fund (GCRF) through the African Research Universities Alliance (ARUA) – United Kingdom Research and Innovation (UKRI) partnership.

The overarching goal of FSNet-Africa is to strengthen food systems research and the translation of evidence into interventions using systems analytical research designed and implemented in partnership with a diverse set of food systems stakeholders. The Food Systems Research Networks for Africa (FSNet-Africa) project seeks to strengthen food systems research capabilities and translate evidence into implementable policy solutions and practical interventions in support of the Sustainable Development Goal (SDG) targets for Africa. This will be achieved through leading systems analysis research on climate-smart, nutrition-sensitive and poverty-reducing food system solutions designed and implemented in partnership with relevant food systems stakeholders. FSNet Africa held a research symposium from 28th March to 1st April 2022. The symposium provided an opportunity for strengthening research capabilities, collaborating with stakeholders, and building networks. The 20 fellows in the programme presented their research proposals, which they have been developing since the commencement of the fellowship in July 2021.

Green Economy Coalition (GEC)-East Africa Hub Project on the Status of the Transition to a Natural Capital-Based Green Economy in East Africa

The Kenya Institute for Public Policy Research and Analysis (KIPPRA), Research on Poverty Alleviation (REPOA) in Tanzania, and Institute of Policy Analysis and Research (IPAR) Rwanda are collaborating in the research. The project is aimed at understanding the various stages of transition to a green economy in each country. The research generated will be useful in stimulating debate on the national natural capital-based green economies in the region. The project is being coordinated by the Advocates Coalition for Development and Environment (ACODE), based in Uganda.

Kenya's Transition to an Inclusive Green Economy: An Economy-wide Analysis

The world Resource Institute (WRI) and the New Climate Economy (NCE) are partnering with KIPPRA to conduct an initial cross-economy analysis scoping exercise to identify opportunities for enhanced climate impact through mitigation and adaptation action at the energy-agriculture nexus, which will help Kenya move towards a strong, transformative, and inclusive green recovery from COVID-19.

The project will focus on the agricultural and energy sectors, being the two sectors that contribute the highest total greenhouse gas emissions in the country but are also highly vulnerable to climate change and contribute significantly to the country's total GDP and employment.

The cross-economy analysis will focus on mapping out existing modelling and analytical capacities in the agri-energy nexus in Kenya and identify key gaps that will need to be filled to inform policy decisions. The analysis will also provide a brief overview of existing and proposed policies and interventions that can be used to foster a more inclusive green transition and economic recovery for Kenya. The cross-economy analysis will lay the groundwork for future economic modelling and analysis that aims to identify, quantify, and select sound economic evidence that will form the basis for formulation of green transition policies and advise on appropriate investments decisions at both national and county levels under energy and agricultural programmes.

KIPPRA EVENTS

KIPPRA Launches Flagship Annual Report, 10th February 2022

KIPPRA launched its annual flagship report, the Kenya Economic Report on 10th February 2022. Themed "Kenya in COVID-19 Era: Fast Tracking Recovery and Delivery of the Big Four Agenda", the report provides evidence-based policy recommendations to accelerate recovery of the economy in the COVID-19 era to ensure the Government development agenda, the Big Four Agenda, is realized.

The report was officially launched by Chief Administrative Secretary, The National Treasury and Planning Hon. Eric Simiyu Wafukho on behalf of the Cabinet Secretary, The National Treasury and Planning at a ceremony attended by KIPPRA Board Chairperson Prof. Ben Sihanya, Executive Director, Dr Rose Ngugi and representatives of 75 public, private and non-governmental institutions.

Speaking at the launch, Hon. Eric Wafukho noted that the output from the Kenya Economic Report will influence development priorities in the fourth medium term plan. KIPPRA Board Chairperson Prof. Ben Sihanya stated that the report recognizes the Big Four Agenda as a key enabler of Kenya's economic recovery. Dr Ngugi, on her part, emphasized on the need to accelerate investment in agriculture as the sector remains the bedrock of Kenya's economy.

CAS, The National Treasury and Planning Hon Eric Wafukho officially makes his remarks at the launch of Kenya Economic Report 2021

KIPPRA Board Chairperson, Prof Ben Sihanya addresses participants at the launch of the Kenya Economic Report 2021

Launch of Kenya Economic Report 2021-photo

KIPPRA – AERC Hosted a Dissemination Workshop on "Employment Creation for Youth in Kenya", 18th March 2022

The Kenya Institute for Public Policy Research and Analysis (KIPPRA), in collaboration with the African Economic Research Consortium (AERC), hosted a dissemination workshop on "Employment Creation for Youth in Kenya" on 18th March 2022. The event, which took place at the Utalii Hotel, drew various participants, including representatives for the Principal Secretary, State Department for ICT, Innovation and Youth Affairs, Hon Charles Sunkuli, CBS; AERC's Executive Director; and policy makers from various sectors, international organizations, civil society, private sector players, the media, the youth and students.

The Chief Administrative Secretary in the State Department of Planning Hon. Eric Wafukho represented the Cabinet Secretary, Amb. Ukur Yattani, EGH. He highlighted various government initiatives to build skills for the youth and create opportunities for employment.

In her remarks, KIPPRA Executive Director, Dr Rose Ngugi, reiterated the importance of equipping the youth with the right skills to enable them achieve maximum productivity in the workplace. Representing the African Economic Research Consortium (AERC) Executive Director, Prof. Njuguna Ndung'u was

Dr Eldah Onsomu makes her remarks at the dissemination workshop.

Participants follow the proceedings at the dissemination workshop

Mr David Kariuki, CEO CAES International addresses participants at the dissemination workshop

Mr Frankline Ojiambo addresses participants at the dissemination workshop

Induction of New Board Members by Management, 1st – 4th February 2022

The KIPPRA Board Members went through an induction programme conducted by the management staff. The aim of the programme was to enable the board members understand the Institute's mandate, strategic direction, workplan activities, performance contract obligations, research and capacity building programmes, partnership engagements, key products and services as well as challenges.

The four-day programme saw the Executive Director, Dr Rose Ngugi, give an overview of the workplan and strategic direction while heads of departments and chairpersons of committees each gave a summary of their departmental functions and workplan achievements for the current year. The board also learnt about the various innovations that the Institute is undertaking, including the Integrated Risk Management System and Electronic Data Management System. The findings of a recent governance audit and customer satisfaction survey were also presented to the Board. The sessions included detailed discussions and question and answer sessions.


KIPPRA Board Chair Prof Ben Sihanya (right) and KIPPRA Board Directors Prof. Harrison Maithya and Mr Koitamet Olekina follow the proceedings of the workshop


KIPPRA staff follow the proceedings of the induction workshop


KIPPRA Board Chair Prof Ben Sihanya (centre), KIPPRA Executive Director Dr Rose Ngugi (6th right) pose for a group photo with KIPPRA Board Directors and management staff at the induction workshop

KIPPRA EVENTS

The KENYA INSTITUTE for PUBLIC POLICY RESEARCH and ANALYSIS

KIPPRA Mentorship Programme for Universities, Kabarak University, 20th to 21st January 2022

KIPPRA held its latest mentorship programme at Kabarak University. The programme is designed to create awareness and develop capacity of the university community to understand the public policy making process.

The two-day KIPPRA Mentorship Programme for Universities (KMPUs) gave students a chance to learn about the public policy making process, the Government's development agenda, financing and mentorship opportunities for the youth, support systems for innovation and entrepreneurship and how to successfully transition to the workplace.

Kabarak University Vice-Chancellor Prof Henry Kiplagat addresses participants at the KMPUs event.

KIPPRA Executive Director Dr Rose Ngugi (Centre),KIPPRA Board Director Mr Samuel Gitau (left) and Kabarak University Deputy Vice Chancellor (Academics and Research) Prof John Ocholla (right) pose for a group photo with Kab

KIPPRA Executive Director Dr Rose Ngugi gives her remarks at the KMPUs event.

KIPPRA Executive Director Dr Rose Ngugi (right) and Kabarak University Vice – Chancellor Prof Henry Kiplagat (left) pose for a photo at the MOU signing ceremony

KIPPRA EVENTS

The Kabarak KMPUs event provided an opportunity for students to interrogate the development agenda and present it through debates and panel discussions. Through the engaging deliberations, students are able to realign their research in support of the development agenda.

Entertainment sessions gave the students an opportunity to showcase their talents in singing, poetry and in playing various musical instruments. What stood out in these sessions was the dynamic Kabarak University choir, which belted various tunes accompanied by unique dance moves and instrumentals. Some of the songs and dances were so captivating that the participants could not resist an opportunity to join in and shake a leg.

The event also included representatives from other universities and learning institutions within Nakuru County. The institutions include Laikipia University, Egerton University and Rift Valley and Rift Valley Institute of Science and Technology.

To deliver this programme, KIPPRA collaborated with State Department for Planning, National Youth Council, Youth Enterprise Fund, SME Support Centre, Global HR Transformation, Youth Programmes and Liaison Office at the Office of the President and the Directorate of National Cohesion and Values.

Since its launch in 2018, the programme has enabled KIPPRA reach 10 public and private universities, with the Kabarak University event being the 11th. The event also saw the signing of an MOU between the two institutions to foster further collaboration and partnerships.

KIPPRA Mentorship Programme for Universities, Turkana University College, 13th and 14th January 2022

KIPPRA held a two-day mentorship event at the Turkana University College on 13th and 14th January 2022. The KIPPRA Mentorship Programme for Universities (KMPUs) is part of the Institute's capacity building initiatives that aims to create awareness and develop capacity of university community in understanding the public policy making process.

The KIPPRA team was led by the Board Chair, Prof. Ben Sihanya and Executive Director Dr Rose Ngugi. The university side was led by the Acting Principal Prof. George Chemining'wa. The event started with the Board Chair and Executive Director's visit to the principal's office followed by an MoU signing between the two institutions.

As part of the introduction at the main event, Dr Nancy Nafula, head of Capacity Building Department, explained the importance of the KMPUs. Dr Eliud Moyi from the Partnerships Department took the participants through the public policy making process in Kenya and what it entails.

The KENYA INSTITUTE for PUBLIC POLICY RESEARCH and ANALYSIS

KIPPRA Board of Directors Chairperson Prof. Ben Sihanya addresses participants at the KMPUs event.

KIPPRA Executive Director Dr Rose Ngugi (left) pose for a photo with Ag. Principal, Turkana University College, Prof. George Chemining'wa after signing the MOU.

KIPPRA's Head of Capacity Building Department, Dr Nancy Nafula makes her opening remarks at the KMPUs event.

Students participate in a panel discussion at the KMPUs event.

The event entailed engaging presentations on national values and principles of governance and youth-oriented discussions in relation to government opportunities to support youth innovation and entrepreneurship. After every presentation, the participants got an opportunity to ask questions and the presenters gave them sufficient answers.

The event also saw students participate in panel discussion on Kenya's potential in building back better in post COVID-19 to achieve the Big Four Agenda. The presentations and discussions were punctuated by various entertainment segments where students showcased their talents in dancing, modelling, singing, and acting.

To successfully deliver the programme, KIPPRA partnered with National Youth Council, Youth Enterprise Fund, SME Support Centre and Directorate of National Cohesion and Values.

To expand the reach of the KMPUs, other institutions around the host university are invited to attend. For this event, students from the KMTC Lodwar campus attended.

The event ended with the award of certificates to students who participated in the essay competition.

Pakistani Delegation Learns About KIPPRA's Role in Public Policy, 1st February 2022

KIPPRA received a delegation from the National School of Public Policy, Pakistan on 1st February 2022. The team of nine, who are participants of 115th National Management College (NMC) in Pakistan, wanted to learn about KIPPRA's mandate, policy research and analysis agenda and the public policy research programmes. The visitors were received by Dr Eliud Moyi, head of Partnerships Department, on behalf of the Executive Director, Dr Rose Ngugi, who was held up in another engagement.

The officers wanted to know how KIPPRA advises the Government on public policy issues and Dr Moyi explained that the Institute participates in government technical working groups and also builds the capacity of public officers through various programmes. The visitors also got highlights of the impact KIPPRA had made in the country's public policy for the last 25 years and some of the challenges the Institute faces in the course of delivering its mandate.

KIPPRA holds a Stakeholder Roundtable on the Potential Role of Agritourism Markets to Support Kenya's Food and Nutrition Agenda, 16th March 2022

KIPPRA, in collaboration with Agriluxe Marketing, held a stakeholder roundtable on the potential of agritourism markets to support Kenya's food and nutrition agenda on 16th March 2022. The event, which was attended by KIPPRA Executive Director Dr Rose Ngugi, Agriluxe Marketing CEO Ms Jeanette Sutherland and representatives from institutions in the agritourism sector, sought to get input from the stakeholders in the agritourism sector on the research project, which KIPPRA and Agriluxe marketing are planning to undertake.

The research project on the potential role of agritourism markets to support Kenya's food and nutrition agenda is timely as both agriculture and tourism are priority sectors to deliver on the Kenya Vision 2030. Moreover, the Kenya National Tourism Blueprint 2030 has identified agritourism as significant niche market.

Speaking at the workshop, Dr Ngugi thanked participants for making time to attend the roundtable and noted that agritourism is a dynamic growth sub-sector that can contribute to transforming the food

system if fully harnessed. Agriluxe CEO Ms Jeanette Sutherland, on her part, stated that the feedback from the consultations will be used to fine-tune the larger research proposal and outline an action plan for undertaking the Kenya component of the research.

The workshop ended with panel discussions involving representatives from agritourism sector.

KIPPRA Executive Director Dr Rose Ngugi addresses participants at the roundtable on Driving Food Systems in Kenya via Agritourism Markets.

Ms Jeanette Sutherland addresses participants at the roundtable

Participants follow the proceedings of the roundtable.

KIPPRA
The KENYA INSTITUTE for PUBLIC POLICY RESEARCH and ANALYSIS

KIPPRA holds a Hybrid Workshop on Domestic Savings, 16th and 17th March 2022

KIPPRA, in collaboration with UNU-WIDER, held a hybrid workshop on domestic savings as part of a project on domestics savings shortfall in developing countries, which the Institute is undertaking in conjunction with UNU-WIDER.

The workshop took place on 16th and 17th March 2022 and involved presentation of papers on capital markets in Sub-Saharan Africa, public savings and sovereign wealth funds in Sub-Saharan Africa, public saving and sovereign wealth funds in Sub-Saharan Africa and fintech in Sub-Saharan Africa.

The project examines the role of domestic savings in delivering inclusive development and reducing poverty and aims to deliver both global findings and a systematic comparison of country experiences to address important policy relevant questions in this area. The workshop was attended by KIPPRA Executive Dr Rose Ngugi, UNU-WIDER Director Prof Kunal Sen, AERC-AFRICA Executive Director, Prof. Njuguna Ndungú, authors of different book chapters and discussants.

A few participants who joined the hybrid workshop from a physical venue at KIPPRA offices.

KIPPRA Holds Dissemination Workshop on Public Affairs Index, 28th March 2022

KIPPRA held a dissemination workshop on Public Affairs Index on 28th March 2022. The workshop whose aim was to disseminate the KIPPRA-developed Public Affairs Index (PAI) was attended by KIPPRA Executive Director Dr Rose Ngugi, Economic Planning Advisor at the State Department for Planning Mr Joseph Mukui, representatives from Research and Information Systems in Africa (RISA) Dr Joy Kiiru and representatives from national government, counties and non-state actors.

The Public Affairs Index is a framework for monitoring delivery of public services at the county level. The Index helps to identify gaps, bring out emerging issues, and guide in prioritizing policy actions. Speaking at the dissemination workshop, KIPPRA's Dr Ngugi noted that the development of the Index demonstrates the role of KIPPRA as a think tank and research intermediary, in strengthening frameworks and tools for coordinating key stakeholders in the research ecosystem in Kenya to dialogue, network and enhance research uptake to inform the implementation of the devolved system of government. Mr Mukui, who represented PS the State Department for Planning, lauded KIPPRA for developing the index and stated that the framework would go a long way in improving good governance at the county level. Dr Joy Kiiru, on her part, emphasized on the importance of findings from the public affairs index in supporting good governance in counties. The dissemination workshop ended with a plenary discussion.

KIPPRA Executive Director Dr Rose Ngugi addresses participants at the dissemination workshop on Public Affairs Index

Mr Joseph Mukui, Economic Advisor at the State Department for Planning makes his remarks at the dissemination workshop

RISA representative Dr Joy Kiiru makes her remarks at the dissemination workshop

The KENYA INSTITUTE for PUBLIC POLICY RESEARCH and ANALYSIS

KIPPRA holds Dissemination Workshop on County Business Environment for MSEs, 29th March 2022

KIPPRA held a dissemination workshop on County Business Environment for MSEs (CBEM) on 29th March 2022. The workshop, whose objective was to disseminate findings from the research on "Research Ecosystem Strengthening through the Development of a Framework for County Business Environment for MSEs", was attended by KIPPRA Executive Director Dr Rose Ngugi, Mr Joseph Mbeva who represented

KIPPRA Executive Director Dr Rose Ngugi makes her remarks at the dissemination workshop

Mr Joseph Mbeva addresses participants at the dissemination workshop

Participants follow the proceedings of the dissemination workshop on County Business Environment for MSEs

PS, State Department for Industrialization, representatives from national government, counties and non-state actors.

County Business Environment for MSEs (CBEM) is a framework that provides a tool for monitoring progress in improving the business environment for growth and survival of MSEs. In 2019, KIPPRA developed the first version of CBEM covering four critical thematic areas that support growth and development of micro and small enterprises, including worksites and related infrastructure, market environment, technical capacity, governance and regulatory framework.

Dr Ngugi, in her address to the participants, stated that KIPPRA has improved on the CBEM 2019 by extending the work to capture emerging issues affecting MSEs' business environment, including Internet connectivity within the worksites, trade participation in market environment and participation in policy and regulatory framework formulation. Mr Mbeva who delivered PS State Department for Industrialization's speech lauded KIPPRA for developing the framework which he said would inform government policy towards improving the business environment for MSEs in the counties.

The dissemination workshop ended with a plenary discussion on different pillars the research covered.

KIPPRA Mentorship Programme for Universities (KMPUs), University of Embu, 31st March and 1st April 2022.

KIPPRA held a two-day mentorship event at the University of Embu on 31st March and 1st April 2022. The KIPPRA Mentorship Programme for Universities (KMPUs) is part of the Institute's capacity building initiatives that aims to create awareness and develop capacity of university community in understanding the public policy making process.

The KIPPRA team was led by Board member, Dr Chris Galgallo and Executive Director Dr Rose Ngugi. The university side was led by Vice Chancellor Prof. Daniel Njiru. The event started with a courtesy call to the VC's office by the Board Chair and Executive Director's.

As part of the introduction at the main event, Dr Nancy Nafula, head of Capacity Building Department, explained the importance of the KMPUs. Mr Victor Mose from Capacity Building Department took the participants through the public policy making process in Kenya and what it entails.

Speaking at the event, Dr Galgallo, said that the mentorship would help students and lecturers to contribute to the next development agenda. In her address to the participants at the event, Dr Ngugi noted that the mentorship programme, which was launched in 2018, serves as a platform to discuss

emerging policy issues that have the potential to shape future research. Prof. Njiru, on his part, thanked KIPPRA for choosing to hold the mentorship programme at the university and noted that the University of Embu community had greatly been impacted by the programme.

The event entailed engaging presentations on national values and principles of governance and youth-oriented discussions in relation to government opportunities to support youth innovation and entrepreneurship.

To successfully deliver the programme, KIPPRA partnered with National Youth Council, Youth Enterprise Fund, SME Support Centre and Directorate of National Cohesion and Values.

To expand the reach of the KMPUs, other institutions around the host university are invited to attend. For this event, students from Chuka University attended.

The event ended with the award of certificates to students who participated in the essay competition.

University of Embu Vice-Chancellor Prof Daniel Njiiru makes his remarks at the KMPUs event.

KIPPRA Board Director Dr Chris Galgallo addresses participants at the KMPUs event.

KIPPRA Executive Director Dr Rose Ngugi (right) and University of Embu Vice – Chancellor Prof Daniel Njiru follow the proceedings of the KMPUs event

UPCOMING EVENTS

1) 9th Africities Summit on 17th -21st May.
2) Kenya Think Tank Symposia in 28th April.
3) KIPPRA Annual Regional Conference and KIPPRA@25 celebrations in 15th -17th June.

ABOUT KIPPRA

The Kenya Institute for Public Policy Research and Analysis (KIPPRA) is an autonomous institute whose primary mission is to conduct public policy research leading to policy advice. KIPPRA's mission is to produce consistently high-quality analysis of key issues of public policy and to contribute to the achievement of national long-term development objectives by positively influencing the decision making process. These goals are met through effective dissemination of recommendations resulting from analysis and by training policy analysts in the public and private sectors. KIPPRA therefore produces a body of well-researched and documented information on public policy, and in the process assists in formulating long-term strategic perspectives. KIPPRA serves as a centralized source from which the Government and the private sector may obtain information and advice on public policy issues.

KIPPRA acknowledges generous support from the Government of Kenya and the Think Tank Initiative (TTI) of IDRC. The TTI is a collaborative initiative of Hewlett Foundation, International Development Research Centre (IDRC) and other partners. Other organizations are welcome to contribute to KIPPRA research either as core support, or support to specific projects, by contacting the Executive Director, KIPPRA.

Send to us your comments on the articles published in this newsletter and any other aspects that may help to make the *KIPPRA Policy Monitor* useful to you. This may include policy issues you would like KIPPRA to prioritize.

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