Policy Monitor

Thinking Policy Together

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Mitigating Climate Change for Inclusive and Sustainable Development:
Perspectives on
Trade
Governance
and Education Systems

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Editorial

Welcome to the KIPPRA Policy Monitor, October-December 2022 edition. The theme of this edition is "Mitigating Climate Change for Inclusive and Sustainable Development: Perspectives on Trade, Climate Change Governance, and Education Systems."

The main articles in this edition focus on: recent economic developments and growth prospects in Kenya; using the education system as a sustainable lifecycle strategy in climate change action; climate change and trade in Kenya; and tracking drought situation, response, and long-term mitigation efforts in the ASAL counties of Kenya.

The Policy Monitor also highlights the KIPPRA capacity building activities including KIPPRA Mentorship Programme at Machakos and Pwani Universities, and graduation of Cohort 19 of KIPPRA Young Professionals. The Policy Monitor also covers the launch of KIPPRA flagship report, the Kenya Economic Report 2022, the Institute engagement with youth in climate action and participation in COP27, launch of children booklet on national values and principles of governance, launch of reports on inclusion of PWDs in social economic development and status of children in Kenya and visits to KIPPRA by US Trade Representative for Africa and India High Commissioner to Kenya. Further, the Policy Monitor highlights the Institute's CSR activities and welcoming of new KIPPRA management staff.

Finally, this edition highlights upcoming KIPPRA events including the 2nd Youth in Climate Change Action Symposium; UNU-WIDER-KIPPRA virtual Policy Seminar; KIPPRA capacity building for the Eswatini Economic Policy Analysis and Research Centre (ESEPARC), KIPPRA-Africa Growth Initiative (AGI) Workshop, KIPPRA Mentorship Programme for Universities at Dedan Kimathi and Maseno Universities, KIPPRA researchers workshop, the 4th Kenya Think Tanks Symposium, and KIPPRA Annual Regional Conference.

We hope you enjoy reading this edition.

1

Recent Economic Developments in Kenya

By Daniel Omanyo and Bonface Okombo

Introduction

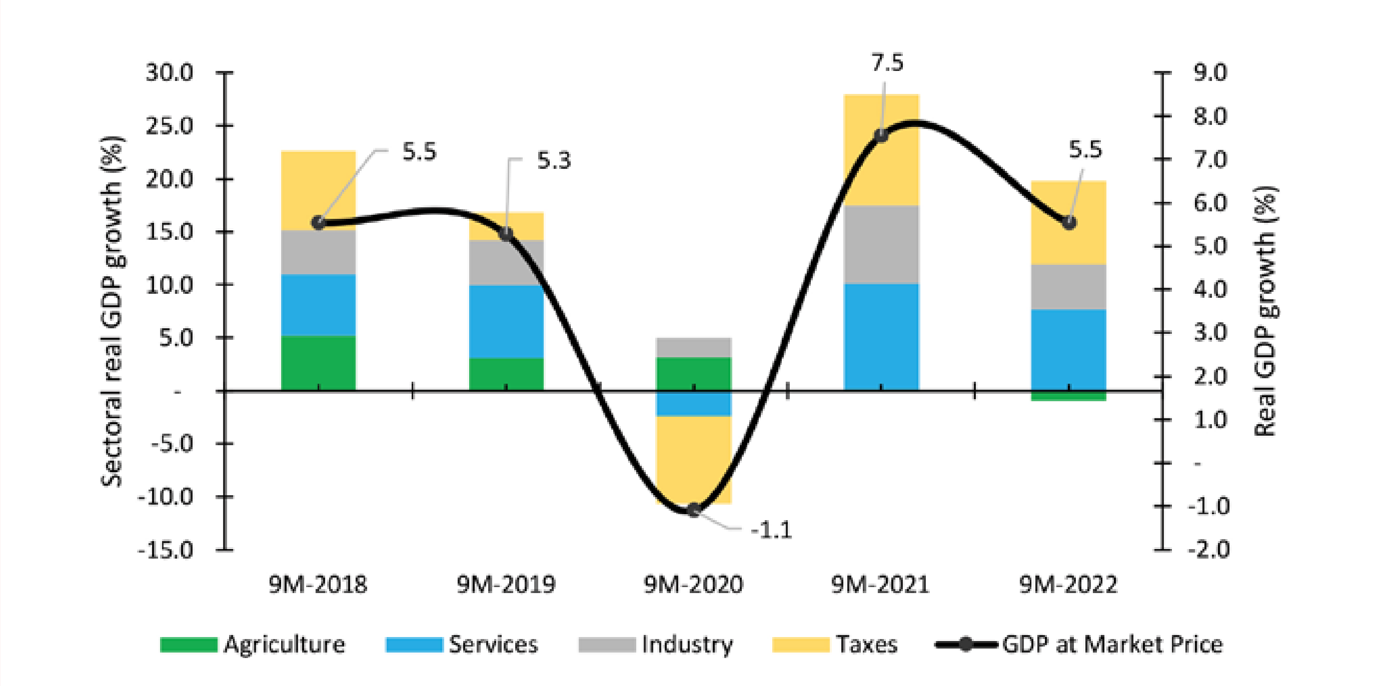
This article provides a cursory review of Kenya's recent economic developments focusing on four key areas: economic growth, monetary policy and financial sector developments, fiscal performance, and developments in the external sector. Kenya as an open economy is firmly tied to regional and global economic developments. The worldwide slowdown in economic activity in 2022, tightening financial conditions, pick up in global inflation, and the persistent drought situation in the Horn of Africa shaped Kenya's growth trajectory in 2022 and will continue to do so in the near term.

Following the August 2022 general elections, a new government was ushered in with the swearing in of the new Cabinet. The new government has as its development agenda the Bottom-up Economic Transformation Agenda (BETA). The agenda is based on four key pillars: a) Solidifying the foundations of development with a focus on deepening digital economy; prioritizing climate change and environmental action; and infrastructure development; b) Strengthening sources of growth through agriculture transformation, manufacturing, services economy, creative economy, and Micro, Small and Medium Enterprises (MSMEs); c) Improving social welfare with enhanced housing, healthcare, education, social protection and the women agenda; d) Enhancing governance structures with a successful devolution process and foreign policy that enables integration at regional and international levels.

Economic Growth

Kenya's economic activity moderated in the first nine (9) months of 2022 (9M-2022). After posting a solid 7.5 per cent growth in 9M-2021, GDP growth rate slowed to 5.5 per cent in 9M-2022 (Figure 1). The slowing in growth momentum was triggered by several shocks domestically and abroad, including the persistent drought condition, and effects of the Russia-Ukraine war.

Figure 1: Trends in real GDP growth (first nine months 2018-2022



Note: 9M-2018 refers to the first nine (9) months of 2018, similar interpretation for the other years

Data source: KNBS, Quarterly GDP Reports (Various)

The slowed economic growth in 9M-2022 was mainly driven by shrinkage in agricultural activity. The predominance of rain-fed agriculture exposes the performance of the sector to the impacts of severe drought. Overall, during the period, the sector contracted by 0.9 per cent, and with the agriculture sector accounting for nearly a quarter of GDP, the dismal performance during the first nine months of 2022 pulled back overall economic growth by 0.2 per centage points (see Table 1).

The growth in services sector moderated the dampening effect of the agricultural sector's performance on growth. The services sector grew by 7.7 per cent, contributing 4.2 percentage points to Kenya's economic growth in the 9M-2022. All services sub-sectors enjoyed output growth. Accommodation and food services was the fastest growing services sub-sector, posting a growth of 31.5 per cent. Other service sectors that posted strong growth include financial and insurance services, professional, administrative and support services, transport and storage, and wholesale and retail trade.

Table 1: Sectoral economic performance (% growth rate) first 9-months 2018-2022

	9M-2018	9M-2019	9M-2020	9M-2021	9M-2022
1. Agriculture	5.2	3.1	3.2	0.1	-0.9
2. Non-agriculture	5.4	6.2	-1.4	9.3	6.8
2.1 Industry	**4.2**	**4.3**	**1.8**	**7.4**	**4.2**
Mining and quarrying	-3.8	3.5	5.3	12.5	15.1
Manufacturing	3.6	3.3	-2.0	7.7	3.2
Electricity and water supply	3.7	2.0	-0.7	5.7	0.2
Construction	7.1	7.1	8.4	6.8	5.5
2.2 Services	**5.8**	**6.8**	**-2.4**	**10.0**	**7.7**
Wholesale and retail trade	5.8	5.4	-1.1	7.7	8.7
Accommodation and food services	14.5	13.0	-43.8	32.7	31.5

	9M-2018	9M-2019	9M-2020	9M-2021	9M-2022
Transport and storage	5.4	6.7	-8.4	7.5	6.5
Information and communication	7.6	7.4	5.8	10.1	5.8
Financial and insurance	1.4	9.2	4.2	13.6	10.4
Public administration	7.5	8.3	5.8	6.4	4.8
Professional, admin and support services	6.3	6.6	-14.1	4.8	11.5
Real estate	6.4	7.1	3.8	7.1	5.6
Education	7.1	4.5	-10.8	22.7	6.7
Health	5.7	5.5	6.8	5.4	4.7
Other services	2.4	5.9	-13.8	11.3	8.0
FISIM	3.2	8.5	-2.1	4.3	5.5
All economic activities prices	**5.4**	**5.5**	**-0.4**	**7.3**	**5.3**
2.3 Taxes	**7.5**	**2.7**	**-8.3**	**10.4**	**7.9**
GDP growth	**5.5**	**5.3**	**-1.1**	**7.5**	**5.5**

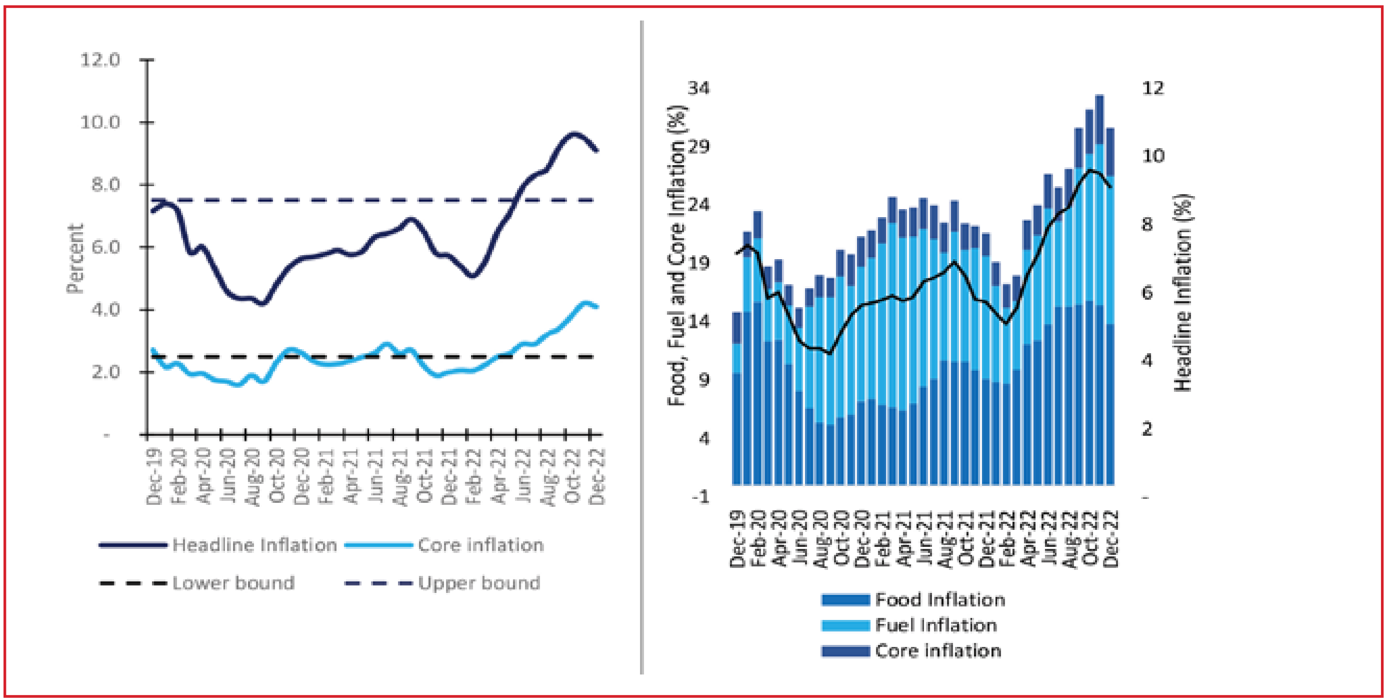
Data Source: KNBS, Quarterly GDP Reports (Various)

Manufacturing activities slowed during 9M-2022 from 7.7 per cent growth in similar period in 2021 to 3.2 per cent growth. The deceleration in manufacturing growth was on account of constrained manufacture of dairy products and manufacture of edible oils, reflecting on depreciating shilling that makes importation of key intermediate goods costly, and the prolonged drought conditions.

Economic Growth

The headline inflation rate for the quarter October-December 2022 averaged 9.4 per cent compared to 6.0 per cent during the same period in 2021 (Figure 2).

Figure 2: Trends in inflation December 2019 to December 2022



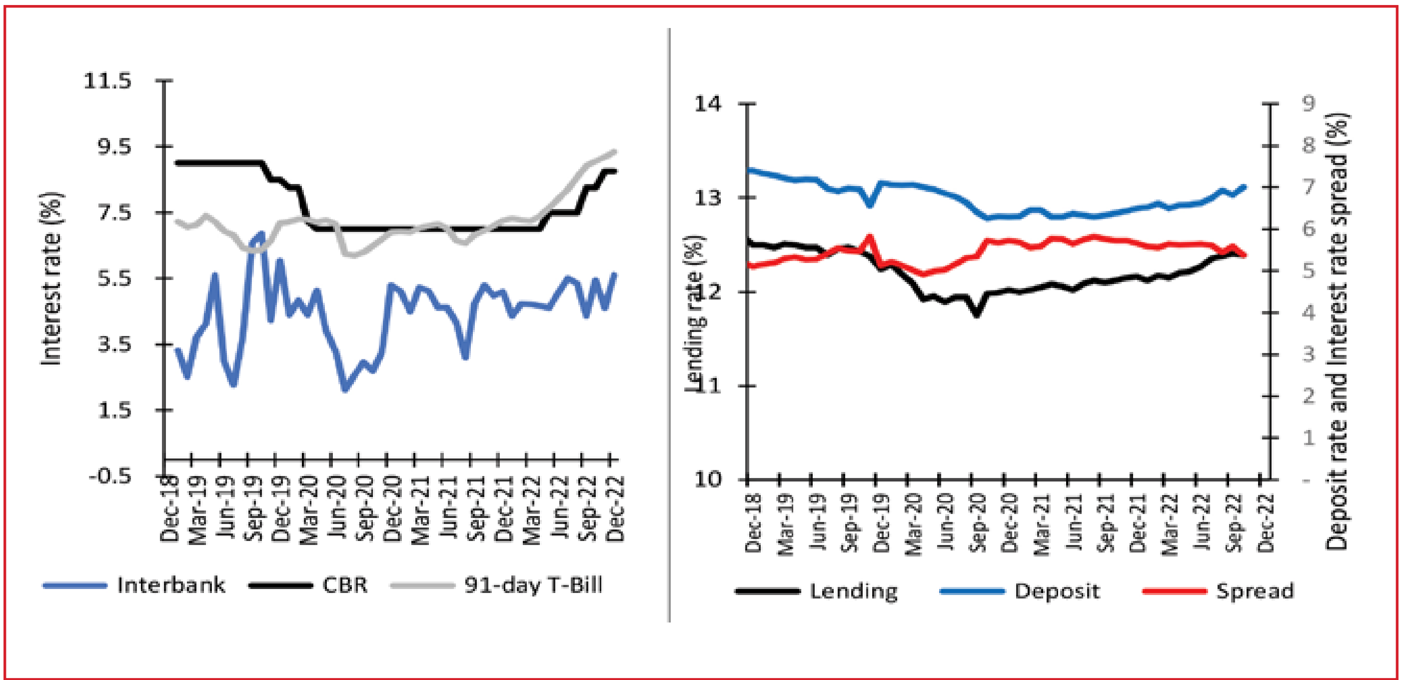
Data source: KNBS, CPI Reports (Various) and CBK, Monthly Economic Indicators (Various)

Several factors contributed to the rising consumer prices. First, insufficient precipitation experienced during the short rains in 2021 and the long rains in 2022 adversely affected food production, leading to a sharp rise in domestic food prices. Secondly, the onset of Russia-Ukraine war in February 2022 saw increased global inflation with disruptions in the grains and cereals market. Thirdly, is the depreciation of the Kenya shilling.

Monetary Policy and Financial Sector Developments

The Central Bank began tightening the monetary policy stance in May 2021 to rein in inflationary expectations. In May 2022, the Monetary Policy Committee (MPC) raised the policy rate to 7.5 per cent in response to anchor inflationary pressures and further to 8.25 per cent in September 2022 and 8.75 in November 2022.

Figure 3: Trends in interest rates



Data source: CBK, Monthly Economic Indicators (Various)

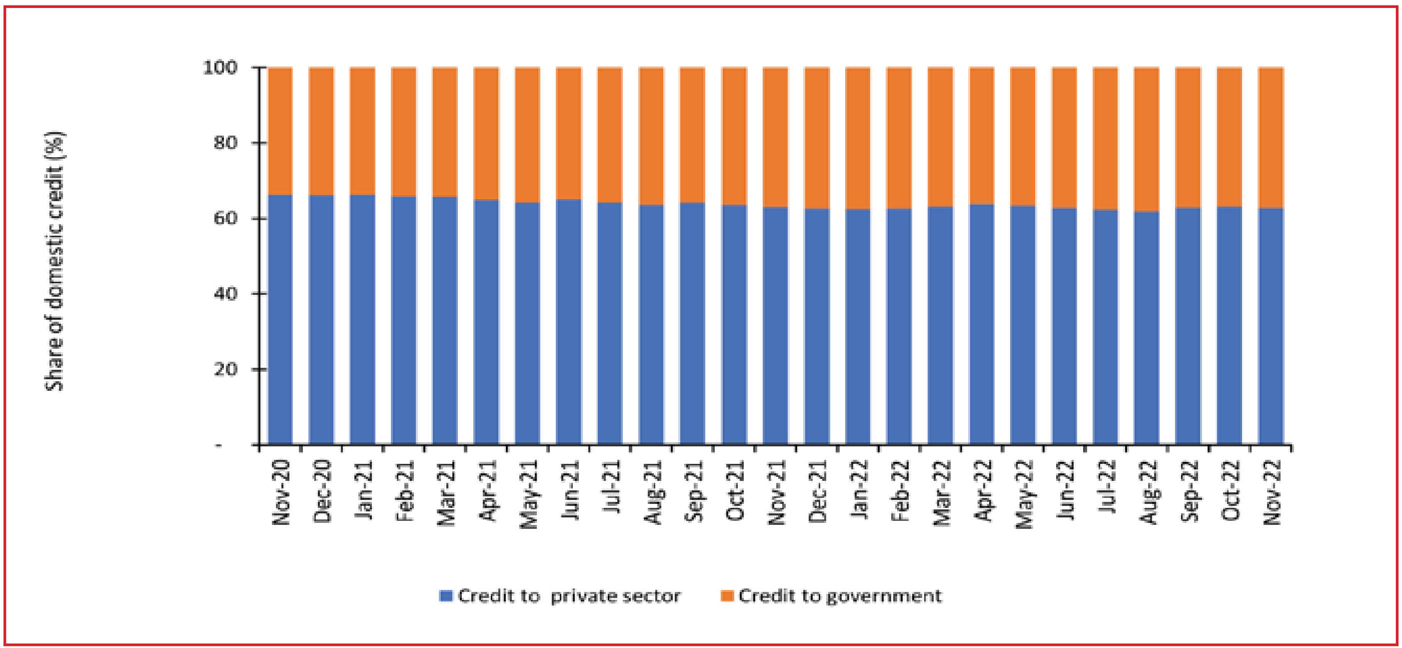
Domestic interest rates edged upward in 2022 compared to 2021. For instance, interbank rate averaged 5.2 per cent between October and December 2022 compared to 5.1 per cent in October-December 2021. Similarly, yields on 91-day Treasury Bills averaged 9.2 per cent during the October-December 2022 period compared to 7.1 per cent in the same period in 2021. The increases in interest rates reflect on the tightening of the monetary policy.

The banking sector exhibited a solid footing. Capital adequacy remained above the statutory requirements at 19.0 per cent in September 2022, way above the minimum statutory limit of 14.5 per cent. Likewise, liquidity ratio stood at 51.5 per cent in September 2022, above the minimum statutory ratio of 20 per cent. The high and adequate liquidity ratio signals Kenya's financial sector soundness in weathering economic turbulence shifts and continues to support the recovery of economic activity.

At the end of November 2022, the ratio of non-performing loans (NPLs) to gross loans stood at 13.8 per cent compared to 14.4 per cent in a similar period in 2021. This is attributable to the hard economic times facing several enterprises and households, making it difficult for these entities to honour their payment obligations on their credit facilities. The government through the Central Bank in November 2022 initiated a Credit Repair Framework meant to improve the credit ratings of mobile phone digital borrowers, whose loans are non-performing and have been listed as such in Credit Reference Bureaus (CRBs). It is estimated that about 4.2 million mobile phone digital borrowers would benefit from this facility.

Private sector credit growth relentlessly continued in 2022 compared to 2021 despite the modest increase in lending rates. This signals increased demand to finance businesses. Credit to the private sector grew by 12.3 per cent at the end of November 2022 compared to a growth of 8.1 per cent in the same period in 2021. Growth in private sector was broad based, with all sectors registering increased credit compared to the previous year. At the end of November 2022, private sector credit accounted for 62.9 per cent of domestic credit, representing a 1.8 percentage point decline compared to the same period in 2021 when private sector credit accounted for 64.7 per cent of domestic credit (Figure 4). This reflects increased share of credit to government, pointing to crowding out of the private sector.

Figure 4: Trends in credit to the private sector

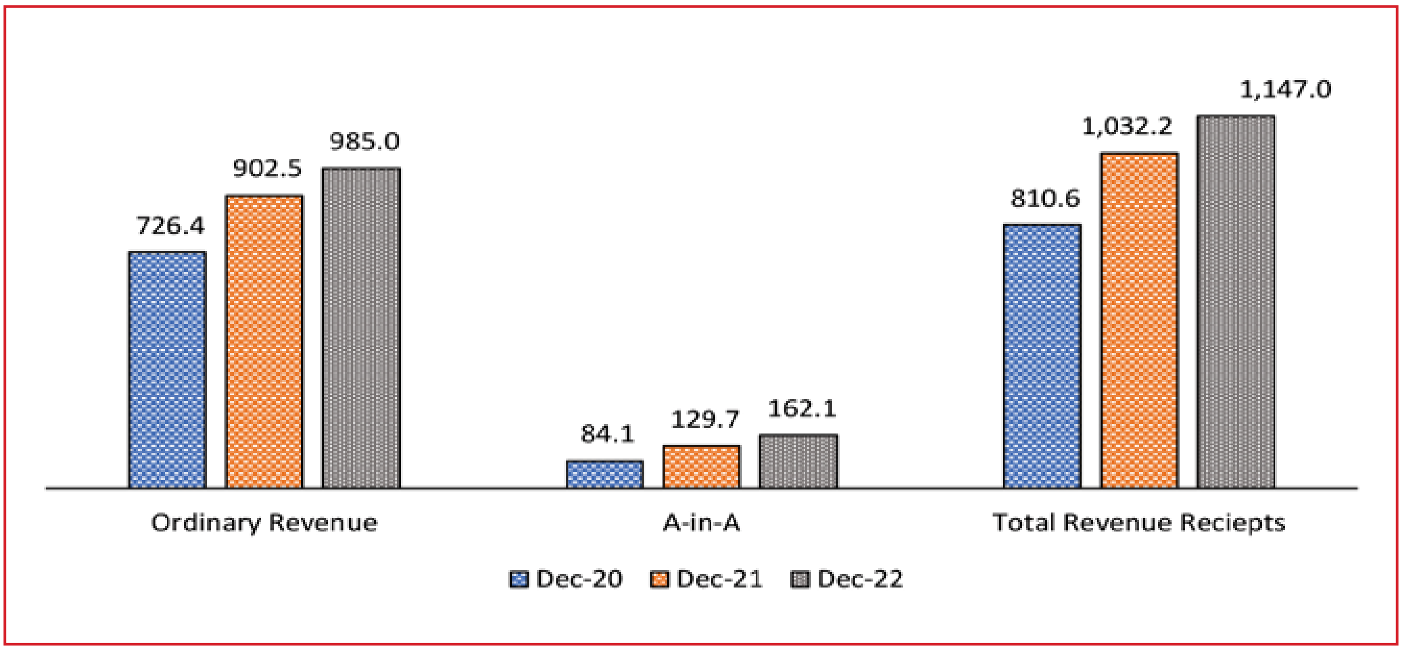


Data source: CBK, Monthly Economic Indicators (Various)

Fiscal Performance

Cumulatively, actual total revenue receipts at the end of December 2022 totaled to Ksh 1,147.0 billion compared to Ksh 1,032.2 billion in December 2021, representing 11.1 per cent increase. The economic turbulences in a large part of 2022 resulted into suppressed revenue growth, Figure 5(b). However, on a positive note, the smooth transition of public administration following the general election in August 2022 boosted business and investor confidence, thus supporting revenue performance.

Figure 5(a): Performance of revenue receipts (2020- and 2022), Ksh billion

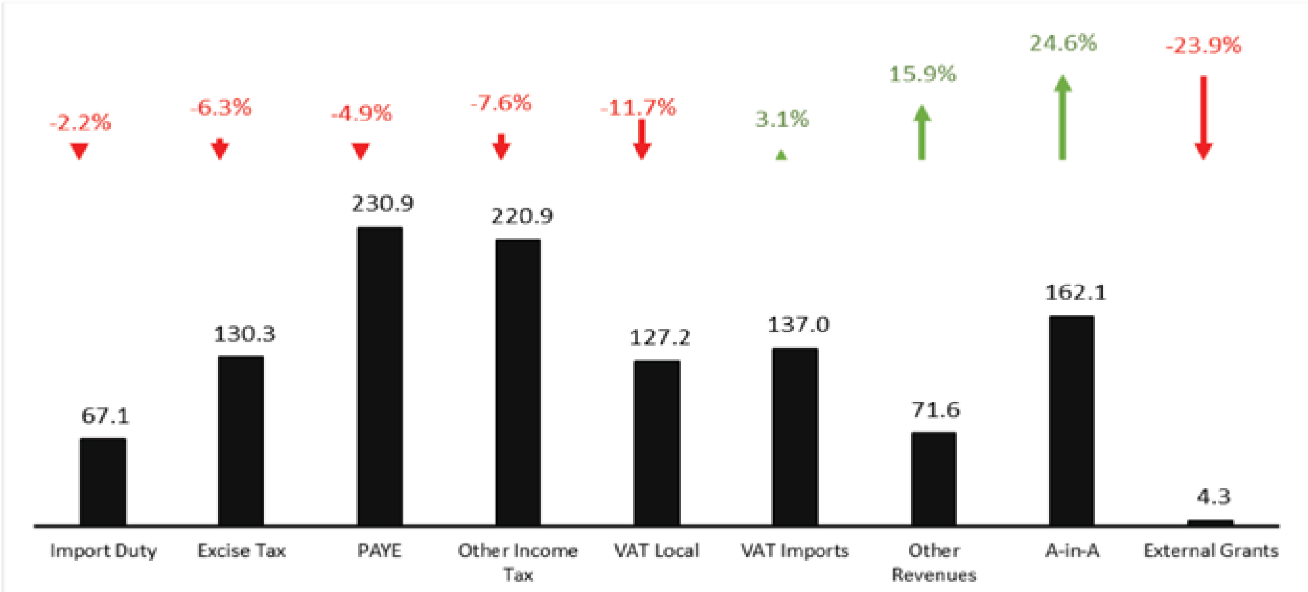


Note: A-in-A stands for Appropriations in Aid

Source: The National Treasury and Economic Planning, Quarterly Economic and Budgetary Report (Various)

Ordinary revenue at the end of December 2022 amounted to Ksh 985.0 billion, representing 9.1 per cent increase attributed to surplus collection of the ministerial A-I-A. Figure 5(a) shows that since 2020, revenues have continued to grow due to economic recovery. This notwithstanding, the turbulent economic shocks in 2022 slowed the pace of revenue growth, leading to under performance in ordinary revenue streams (Figure 5b). All ordinary revenue streams performed below the set targets performance during the period ending December 2022, except for VAT on imports, import declaration fees and other revenue. The strong performance in import-related streams reflects the increase value of imports due to the high commodity prices at the international markets.

Figure 5(b): Performance of major revenue streams and deviation from targets



At the end of December 2022, operations of government resulted to total cumulative expenditure and net lending (inclusive of transfer to county governments) of Ksh 1,468.8 billion against a target of Ksh 1,448.9 billion, mainly driven by increased spending on operations and maintenance and pension payments. Recurrent spending amounted to Ksh 1,096.3 billion, which was above the projected target by Ksh 114.2 billion. Operations and maintenance expenditures amounted to Ksh 432.0 billion compared to a target of Ksh 302.5 billion, while processing of pension payments was higher than expected, surpassing the Ksh 12.9 billion target by Ksh 7.7 billion. Development expenditure registered a decline in increased absorption, reaching Ksh 206.3 billion against a target of Ksh 234.7 billion. Transfer to county governments (Equitable share only) was Ksh 141.1 billion, accounting for 71.3 per cent of what counties expected to receive by the end of December 2022.

As a result, the government fiscal operations during the period ending December 2022, overall deficit including grants (on commitment basis) was Ksh 317.5 billion or 2.3 per cent of GDP compared to the fiscal deficit including grants (on commitment basis) of Ksh 320.7 billion or 2.5 per cent of GDP realized over the same period in 2021/22. This deficit was financed through net domestic borrowing of Ksh 124.1 billion and net foreign borrowing of Ksh 95.2 billion. At the end of December 2022 gross public debt stood at Ksh 9,146.0 billion compared to Ksh 8,206.7 billion over the same period in December 2021. This represents an increased public debt accumulation by Ksh 939.3 billion attributable to external loans disbursements, fluctuations in the exchange rates and increased domestic debt. As of December 2022, domestic debt accounted for 48.9 per cent of public debt.

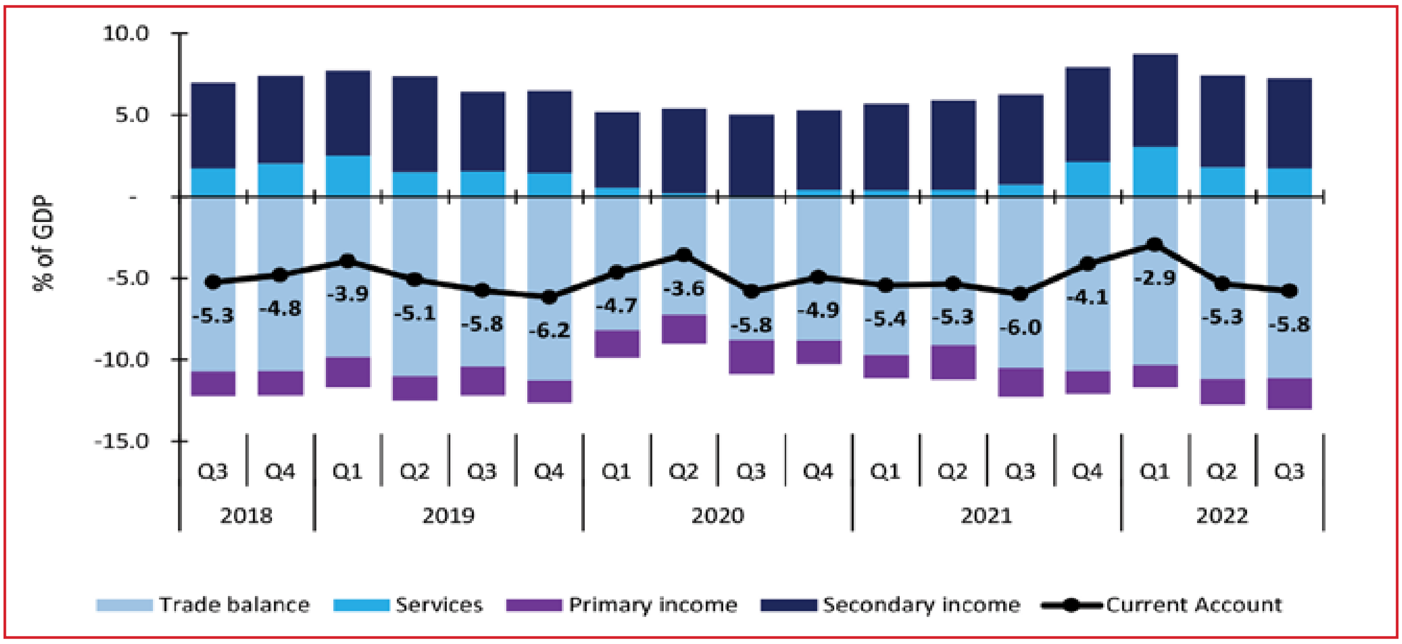
External Sector Developments

Developments in the global market exacerbated Kenya's already weak external account position. In the quarter July-September 2022, the current account deficit (CAD) widened to Ksh 193.4 billion compared to Ksh 183.4 billion during the same period in 2021 (Figure 7). This was largely driven by deterioration of merchandise trade deficit but was moderated by continued improvements in services-related trade. The deficit in merchandise trade was Ksh 373.1 billion in the third quarter of 2022, compared to Ksh 322.0 billion during the same period in 2021. Receipts from exports increased by 29.7 per cent to Ksh 228.2 billion while the import bill burgeoned by 20.8 per cent to Ksh 601.2 billion on account of increased importation of petroleum products.

International trade services receipts amounted to Ksh 217.9 billion while payments amounted to Ksh 158.8 billion, resulting into a net surplus of Ksh 59.2 billion at the end of the third quarter of 2022, which is more than double the net services surplus of Ksh 22.5 billion reported in the third quarter of 2021. Improvements in services account reflects a strong performance in international travel account, which has continued to strengthen due to resumption of international travel in the post-COVID period.

Primary income balance continued to drag the current account deficit at the end of the third quarter of 2022. Primary income deficit widened slightly from Ksh 53.0 billion in the third quarter of 2021 to Ksh 63.3 billion in the third quarter of 2022, reflecting deterioration in receipts from compensation of employees, investment income and rent. At the end of the third quarter of 2022, net secondary income stood at Ksh 183.8 billion against Ksh 169.1 billion in the same period in 2021. The improvement in secondary account was on account of strong performance in diaspora remittances, which accounted for 62.2 per cent of secondary income in the third quarter of 2022.

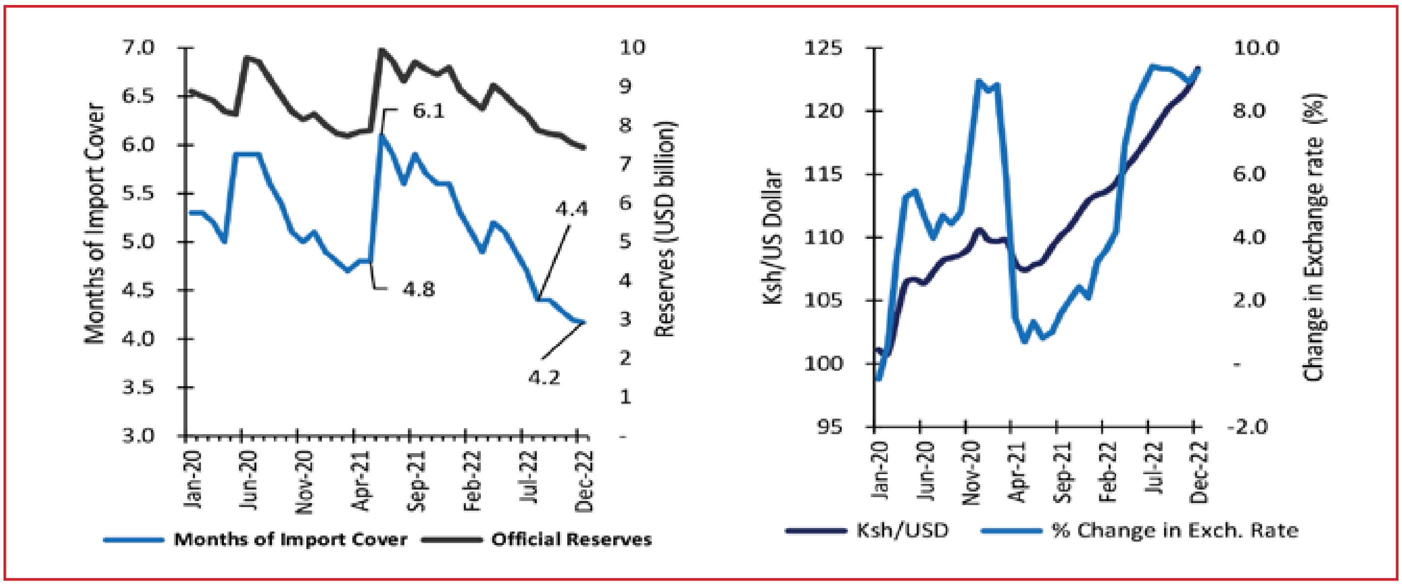
Figure 6: Current account deficit and its drivers (% of GDP 2018-2022)



Data Source: KNBS, Quarterly BOP Reports (Various)

Capital inflows recorded a slight improvement at the end of the third quarter of 2022. Inflows to the financial account increased from Ksh 168.3 billion to about Ksh 190.8 billion. The increased capital inflows reflect the IMF loan received in July 2022. Improved capital inflows help to buffer Kenya's foreign exchange reserves. The foreign reserves stood at 4.2 months of imports coverage by end of December 2022. The disbursements from arrangements have served to boost the foreign reserves, but the obligations that need to be met have put pressure on the foreign reserves. Kenya has continued to service its external debt.

Figure 8: Performance in forex reserves and trends in exchange rate Ksh/US$



Data source: CBK, Monthly Economic Indicators (Various)

The recent spate of persistent weakening of the shilling has been attributed to several factors, including increased demand for the US dollar by importers and the tightening of US monetary policy has resulted into a stronger dollar. This has implications on the cost of imported goods; pass-through effect to domestic prices; and increased cost of external debt.

Conclusion

The bottom-up economic transformation agenda is targeted to enhance macroeconomic stability, engineer strong economic growth, and enhance social welfare. Assuming that the development agenda is fully implemented as proposed, it is projected that Kenya will hit a 7.0 per cent economic growth rate. This growth rate will be broad-based, driven by investment and export growth. The manufacturing sector will achieve a faster growth compared to other sectors driving the economic transformation agenda. With this, it will be possible to create jobs, reduce poverty and inequality, and improve food and nutrition security.

2

Using the Education System for a Sustainable Lifecycle Strategy in Climate Change Action

By Rose Ngara Muraya

Introduction

Climate change risks are an existential threat to the country and the world. The country's vulnerability to climate change risks requires a proactive community-wide approach to mitigate climate change effects, including reversing the expanding aridity. A climate change action strategy that focuses on the education system would bring into the fold about one third of the Kenyan population into proper environmental and climate change management. When introduced early in the lifecycle, environmental education and climate change management can be ingrained and become deep-rooted, making it lifelong and effective in mitigating climate change risks.

Most of the 17 UNESCO (2015) Sustainable Development Goals are interconnected, and interventions towards achieving one goal have direct and indirect impacts on other goals. Although Kenya's curriculum review is geared towards achieving (SDG)4 "ensure inclusive and equitable quality education and promote lifelong learning opportunities for all", it has a component on environmental activities, which relate to SDG13 on "take urgent action to combat climate change and its impact". The gist of this article is essentially to show how interventions towards goal 4 can be deliberate towards achievement of goal 13 in Kenya. Other goals likely to be impacted through the interaction between SDG 4 and 13 include: No Poverty (SDG1); Zero Hunger (SDG2) and Sound Health and Well-being (SDG3) through climate change activities that reduce global warming and concomitant droughts and floods seen to worsen poverty and hunger, affect health and cause environmental degradation inter alia.

A study by Huho on the climate change knowledge gap in the education system in Kenya established that students at the university level were unable to differentiate between climate change adaptation and mitigation. Also, the study found that negative attitude towards agriculture (the sector mainly affected by climate change) and bias in the integration of climate science content in Kenya's education were the main factors that led to limited knowledge of climate change. Additionally, subjects that touch on climate-related issues such as agriculture, geography and biology at the secondary school level are not compulsory. The author thus recommended introduction of climate change as a standalone subject at all levels of learning, right from pre-primary education to university education. The introduction of environmental activities in Competency-Based Curriculum (CBC) is a response to this.

As of 2021, about 13 million learners were enrolled in learning institutions. If each learner plants, nurtures and grows at least two trees (a general tree and a fruit tree) per year, this amounts to about 26 million trees annually. That would contribute to reducing climate change risks while boosting households' incomes and well-being, and the economy when mature trees are harvested for timber and other uses.

Role of Education and CBC in Mitigating Climate Change Risks

The millions of learners in the Kenyan educational institutions can help mitigate climate change risks with introduction of environmental education early in junior primary. This will make learners the centerpiece of solving the risks of climate change. Integrating climate change education into the curriculum gives learners a chance to develop their problem-solving skills, developing solutions to mitigate climate change risks, which is likely to promote sustainability of climate change mitigation policies perpetually.

The country has started implementing education reforms, embodied in the 2-6-6-3 Education system and Competency-Based Curriculum (CBC), with the first cohort of CBC pupils joining junior secondary school in January 2023. The reforms are learner-centred and aimed at fostering critical thinking and problem-solving skills, integrating an ideal learning approach for learners in pre-primary 1 and 2 and grades 1, 2 and 3, the formative stage of development.

The curriculum focuses on developing competencies and naturing talents, with an emphasis on learner's holistic development, and can be utilized to deal with climate change issues in Kenya. Given that climate change is one of the key problems facing the country, with millions of learners practicing environmental activities as part of CBC, the climate change action can be sustainable across generations.

Previous educational systems in Kenya embraced environmental education curriculum, first introduced into the formal education system following the Stockholm conference of 1972 and Tbilisi conference of 1977. It was embedded in science and social studies at primary school level, and in agriculture, biology, geography, history and civics at secondary school level. However, without preparing teachers adequately to handle the environmental aspects of these subjects and limited resources for practical work, the commitment to environmental activities was weak.

The "environment activities" subject in the new CBC curriculum that starts right from pre-primary 1 and 2 through to grades 1, 2 and 3 and beyond entails basic activities of planting, growing and caring for trees, use of renewable energy, taking care of the soil, and keeping the surroundings clean. Though gradable through photographic assessment of homework, the need to own a smartphone to facilitate the same could be a hindrance for vulnerable groups in the society. The focus of the new curriculum is to develop competencies that learners can apply in real life situations.

Among the key competencies espoused in the new curriculum include critical thinking and problem solving, and citizenship. The life values that the curriculum aims to mold in learners are love, responsibility, respect, unity, peace, patriotism, and integrity. Environmental conservation fits well within the patriotism and responsibility values, and love and respect of our country Kenya.

The CBC education system further provides an excellent opportunity for the education system to support implementation of climate change mitigation policies. This plays the climate risks mitigation role in several ways. First, it creates awareness of climate change risks through mandatory lessons that explain what climate change is, how it presents itself, associated risks, and mitigation measures. Secondly, it encourages environmental clubs and societies at all educational levels, which can be made instrumental in dealing with the climate change challenge.

Astute attention is required in the curriculum, highlighting human responsibilities and what all should do throughout life to reverse human activities that cause destruction of biodiversity and climate change. The process should start at school entry where children are taught to plant and nurture plants and trees, explaining the essence. This should encompass not just what is taught in the classroom right at the onset of learning, but everyday activities that enhance the linkage between economic, social and political matters with the environment.

Besides, commitment outside the classroom requires interdisciplinary approach to address fundamental issues that led to environmental degradation, including growing population pressure in agriculturally rich areas; use of dirty energy such as firewood and charcoal; deforestation with bush clearing for settlements and crops production; poor farming methods, including overgrazing and burning that led to soil erosion and degradation. These issues require integration in the curriculum at the onset of schooling, accompanied with social and political commitments for a long-term solution to climate change problems.

In this regard, all community members including learners will need to embrace environmental conservation and climate change mitigation, which can be achieved by making environmental education a community-based affair by taking grading of environmental activities beyond the classroom and school. A standard form from school may be introduced and adopted as an additional method of assessment, to be signed by village elders at end of the year, stating the number of trees and plants the learner has nurtured and their status, and other climate-related community activities the learner has participated in.

Conclusion

A lifecycle-based environmental management requires introducing environmental conservation and climate change action into the CBC system of education to create awareness and nurture values from early stages. This requires training teachers appropriately and adequately providing for specific resources for practical environmental activities. That said, this requires extending beyond the classroom to integrating with the local community activities for greater, effective, widespread and inclusive approach to reduce climate change risks.

3

Climate Change and Trade in Kenya

By Shadrack Mwatu and John Karanja

Introduction

The effects of climate change can threaten Kenya's revealed export competitiveness. Agricultural exports form a significant proportion of products that the country has a comparative advantage. Agricultural export commodities do well under certain optimal levels of temperature, precipitation, soil nutrient content, and even altitude. Furthermore, production of low-carbon products and services can see the country realise trade competitiveness.

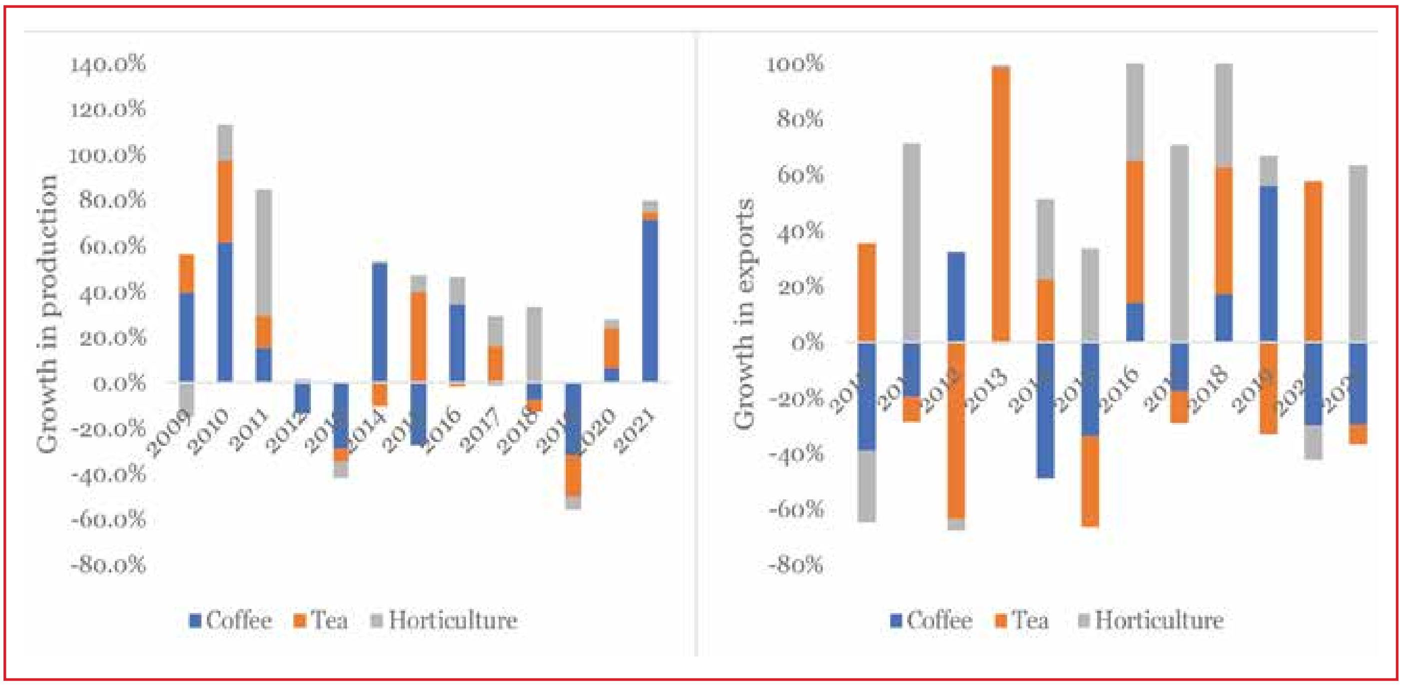
Climate Change and Trade Competitiveness

Climate change affects export competitiveness through sub-optimal precipitation and prolonged droughts. The outcome is an erratic performance of the agricultural sector, especially when heavily reliant on rains. The adverse effects on the agricultural sector are also transmitted to the manufacturing sector. The manufacturing sector in Kenya is reliant on agro-processing, which sources significant inputs from the agricultural sector. Specifically, evidence shows that a 1 per cent rise in temperature reduces agricultural exports from developing countries by 13 per cent.

From Figure 1, inference is made that incidences of drought in the country have had heterogenous effects on production and consequential export of tea, coffee, and horticulture. Moreover, effects of droughts on production and exports seem to manifest a year after the drought was experienced, indicating presence of a time lag between occurrence of the drought and its effects being witnessed. This is explained by the observation that whereas some products such as tea and coffee mainly rely on rains, other products such as horticulture heavily rely on irrigation. The scenario is also explained by the fact that much of the drought incidences have been experienced only in some parts of the country as opposed to the entire country experiencing drought. For instance, between 2011-2012 when the country experienced drought, production of coffee, tea, and horticulture was adversely affected compared to previous periods. In 2016-2017 when another drought incidence was experienced, growth in tea production was negative while that for coffee and horticulture was positive especially in 2016. Growth in exports of coffee, tea, and horticulture has tended to mimic growth in production, with exports being positive in time periods when production was also positive and vice versa. Overall, there seems to be a production and export effect with drought, albeit with a time lag of at least a year between the occurrence of drought and its effects filtering into production and exports.

Mainstreaming climate action in public policy is therefore key in addressing the recurrent incidences of drought experienced in the country for enhanced trade. Notably, existing evidence shows there is a relationship between weather variability and sectoral output in Kenya. Further, unfavourable temperatures in countries such as Brazil affect coffee production and create supply shortages of coffee in the world market. Other coffee producers such as Kenya have tended to respond by increasing their exports especially when prevailing temperatures are conducive.

Figure 1: Production and export of coffee, tea, and horticulture



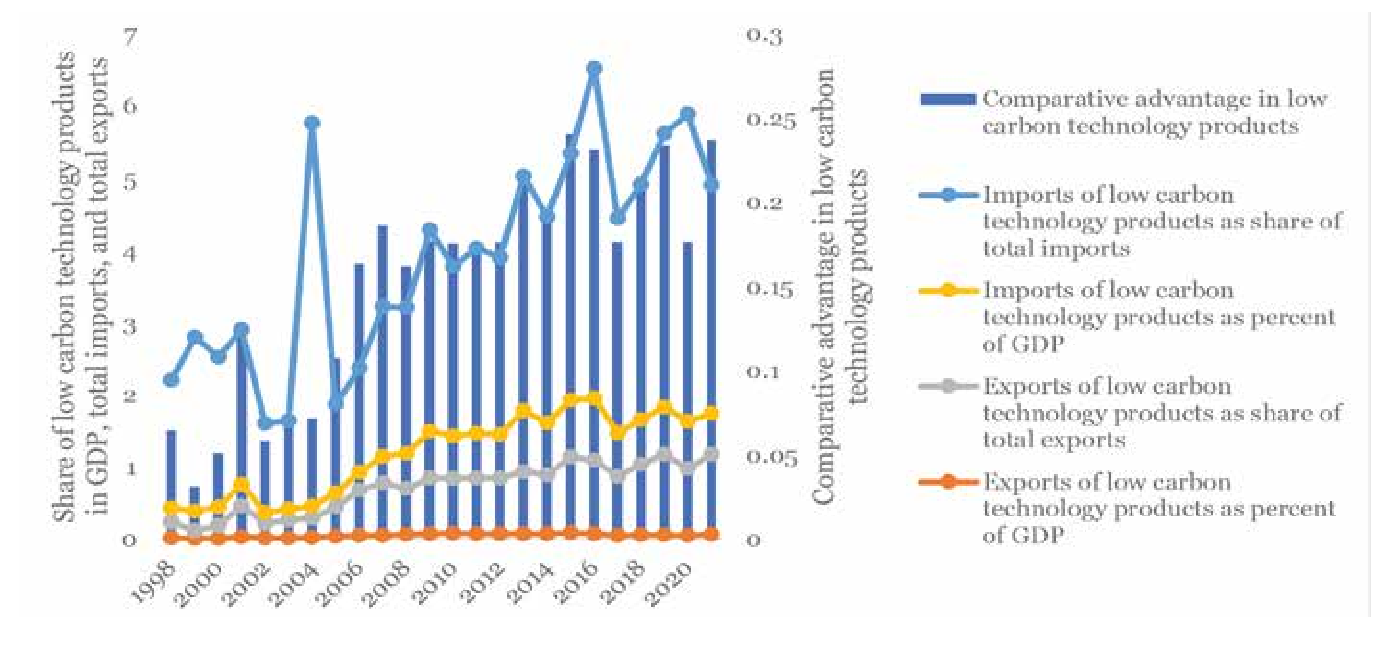
Source: Analysis based on data from Leading Economic Indicators and Statistical Abstract

Greening Trade for Competitiveness

Evidence shows that investment in the production of low-carbon products and services supports green trade and drives export competitiveness. Low-carbon technology products are environmental goods that produce less pollution than their traditional energy counterparts and are expected to play a central role in the transition to a low-carbon economy. For Kenya, exports of low-carbon technology products as a share of total exports have been rising, but have stagnated as a share of GDP (Figure 2). This means there is still room to grow Kenyan exports of low-carbon products. Moreover, despite the country not having a comparative advantage in low-carbon technology products, the evidence shows a growing trend towards the realization of comparative advantage (Figure 2). Extending incentives to the private sector could support innovations in low-carbon technology that reduces environmental pollution and encourages green trade.

Imports of low-carbon technology as a share of total imports and GDP have been rising (Figure 2). At the global level, sustaining partnerships on climate action as stipulated in the Sustainable Development Goal (SDG) 13 is key in ensuring policies support low-carbon technology and trade in environmental goods. At country level, Kenya could use the environmental protection exceptions in trade agreements to encourage low-carbon technology imports.

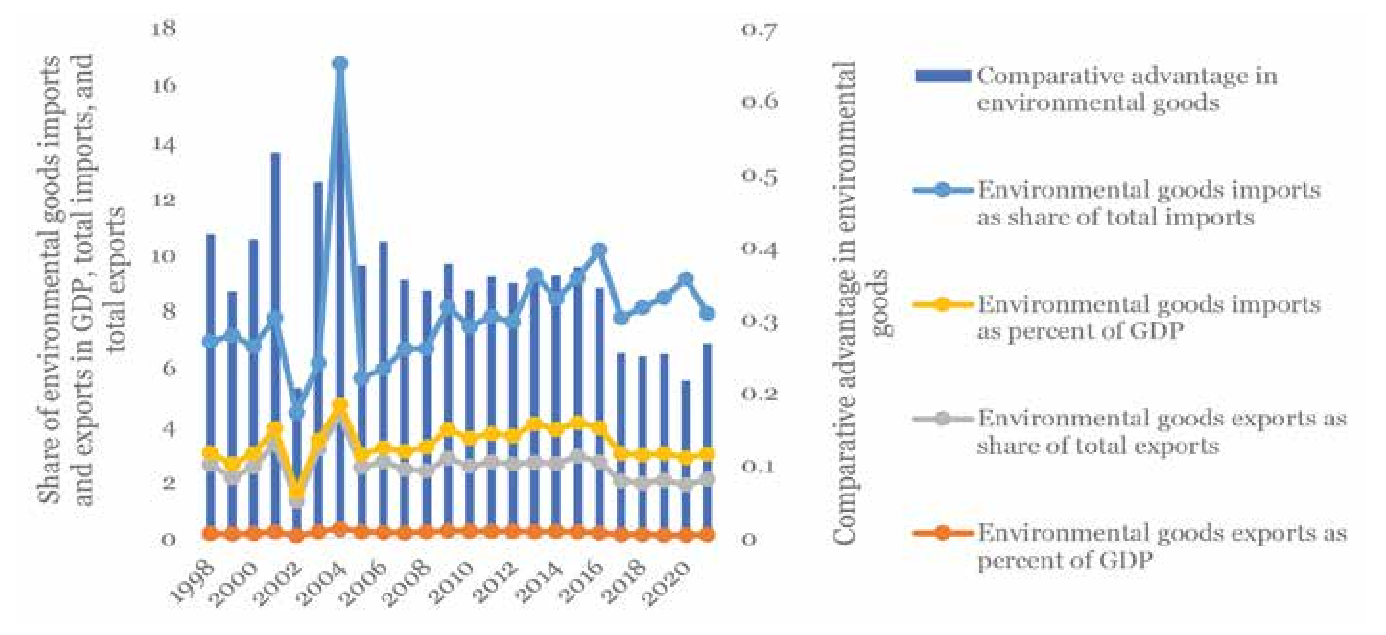
Figure 2: Trade in low-carbon technology goods and services



Source: Analysis based on data from IMF

The National Trade Policy and National Climate Change Framework Policy advocate for the promotion of environment-friendly trade. However, the share of exports of environmental goods in GDP to total exports is relatively low, implying a need for policy support to incentivize production and increase the share of exports of environmental goods (Figure 3).

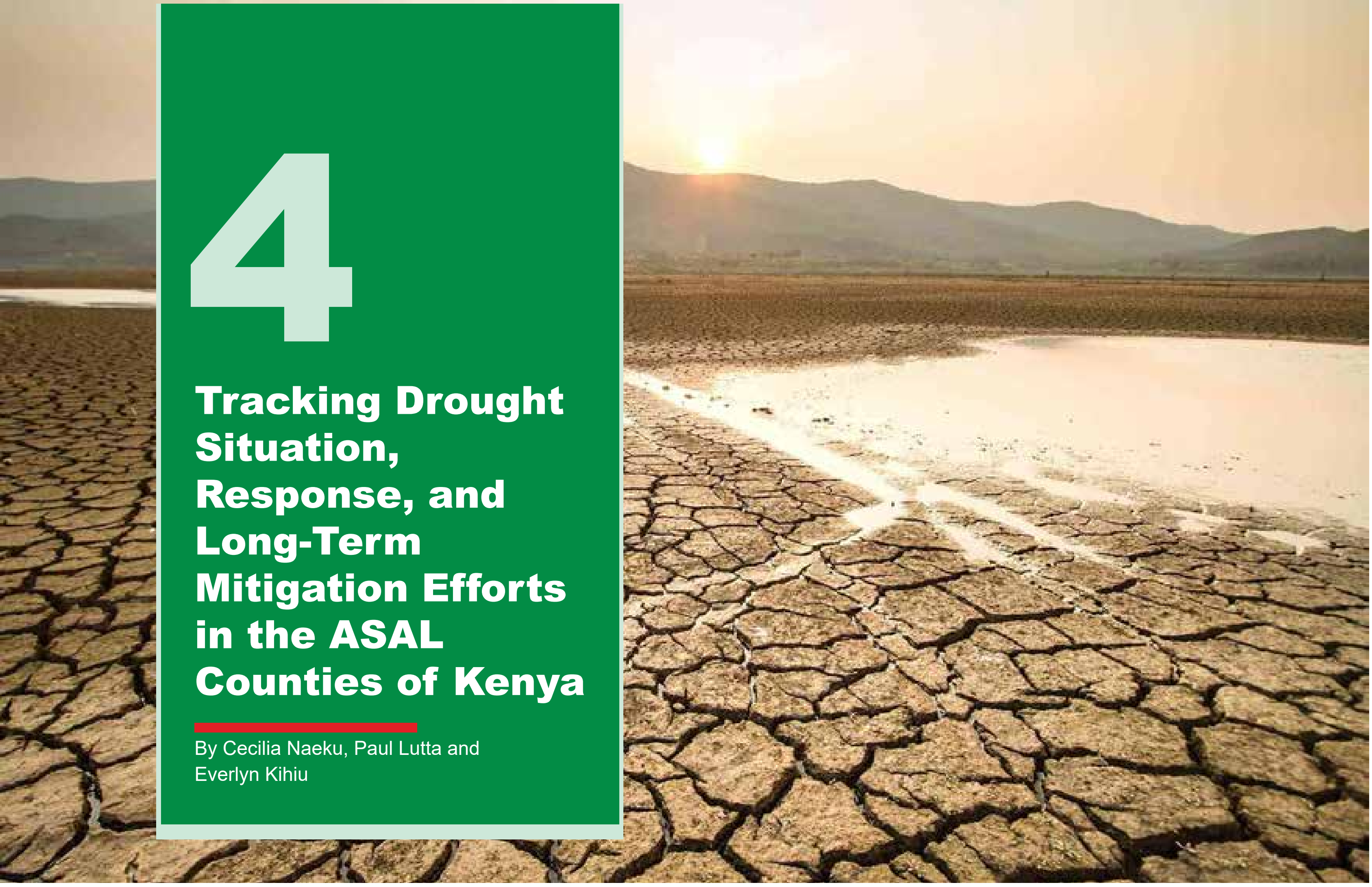
Figure 3: Trade in environmental goods



Source: Analysis based on data from IMF

Conclusion

Climate change has implications on trade competitiveness, while greening trade is a pathway to sustainable trade competitiveness. Moving forward, incentivizing for low-carbon products would support climate-friendly innovations both in Kenya and in the originating countries. In addition, there is need to support production and trade in environmental goods and create awareness on greening trade.



4

Tracking Drought Situation, Response, and Long-Term Mitigation Efforts in the ASAL Counties of Kenya

By Cecilia Naeku, Paul Lutta and Everlyn Kihiu

Introduction

There are 29 counties in Kenya classified as Arid and Semi-Arid Lands (ASALs). These counties occupy about 89 per cent of the country, hosting approximately 36 per cent of the population, 75 per cent of the national livestock herd and 90 per cent of the wild game. ASALs rank low in the development indicators and are characterized by high incidences of poverty.

In the last two decades alone, Kenya has experienced 8 episodes of severe droughts, which have been more consecutive leaving affected communities with little time to recover. Currently, the ASALs are bearing the brunt of the longest and most severe drought in 40 years that started in late 2020. The National Drought Management Authority (NDMA), in January 2023, classified nine ASAL counties in alarm drought phase; 13 counties in alert drought phase while 2 were classified in normal drought phase.

Effects of Drought on ASAL Counties

The drought, which began towards the end of 2020 after depressed October-December short rains, is believed to have been caused by a combination of human-induced climate change, Indian Ocean Sea surface temperatures, and La Niña phenomena. The drought ravaged counties that were beginning to recover from locust invasion and the effects of COVID-19. On 8th September 2021, the drought was declared a national disaster with 10 ASAL counties severely affected and 2 million Kenyans experiencing severe food insecurity. The long rains in 2022 (March-May) also failed, worsening the already dire situation. Subsequently, the failure of the October, November and December 2022 short rains meant that ASALs experienced the fifth failed rainy season with hope now lying on the March-May 2023 long rains.

Table1: Drought episodes in Kenya over the last two decades

Drought Episode	Number of people affected
1999/2000	4.4 million people
2004	3 million
2005	30-40% loss of livestock in Northern Kenya
2006	2.97 million
2009	3.79 million
2011	3.75 million
2016/17	3.4 million
2020-2023-ongoing	5.1 million

The main effect of the droughts has been severe food insecurity in the ASALs. The 2020-2023 ongoing drought has so far left approximately 5.1 million Kenyans facing acute food insecurity and in dire need of humanitarian assistance. Due to its prolonged and unprecedented nature, the multi-year drought has had cumulative effects and has so far affected more people compared to other drought events in the recent decades. So far, there are no reported cases of lives lost due to the drought, but the situation is life threatening as food insecure households struggle to survive the famine.

The drought has also significantly contributed to the high cost of food in both ASAL and non-ASAL counties. The situation in ASAL counties has, however, been more severe due to reduced purchasing power caused by the loss of pastoral livelihoods and decreased asset value of livestock, which has significantly compounded the ability to access food in these counties. Although social protection programmes especially the Hunger Safety Net (HSNP) have been playing a role in reducing vulnerability of households, it only covers 4 out of the 29 counties in Kenya. Development partners and aid agencies have also been complementing government efforts by providing cash assistance to food insecure households to ensure economic access to food. However, cash assistance has not been sufficient as availability of food in ASALs is still sub-optimal as poor road infrastructure and market barriers render food distribution systems in the country inefficient. Therefore, distribution of relief food by government and non-state actors has been critical in enhancing physical access to food in ASALs.

Despite these efforts, acute malnutrition has been recorded across the counties, with the NDMA estimating that as of October 2022, there were 942,000 cases of children aged 6-59 months acutely malnourished and 134,000 cases of pregnant or lactating women acutely malnourished. Compromised immunity due to malnutrition is said to be the cause of reported cases of measles outbreaks among children in some North-Eastern counties in December 2022. The elderly have also been disproportionately affected by the food insecurity, and their health condition put at risk.

Another key effect is loss of livelihood specifically pastoralism livelihoods. The mainstay of the ASALs is pastoralism as the livestock sector accounts for 90 per cent of employment and more than 95 per cent of household incomes. Pastoralism has been a highly innovative production system and a livelihood that has evolved to adapt to climatic and environmental conditions that limit agricultural expansion. The future of this livelihood is now seriously threatened by climate change mainly in form of severe droughts. Already, as of September 2022, 2.5 million livestock had died as a result of the drought, thus significantly affecting the pastoral economies in the ASALs. Furthermore, the remaining flocks have also lost significant market value due to inadequate forage and pastures. Water sources have also significantly diminished due to drought. In Laikipia, for instance, reports showed that 80 per cent of water sources had dried up while in Wajir, strategic boreholes were under severe strain.

The drought is also threatening access to education. It is estimated that more than 54,500 children in 17 drought-affected counties in Kenya are at risk of dropping out of school. UNICEF estimates that in the Horn of Africa (Kenya, Somalia and Ethiopia) the prevailing drought is threatening access to education for 3.6 million children, with girls being most at risk as some are married of or forced to take up caregiving duties.

Although the drought is partly because of human activities such as deforestation and environmental degradation, the drought has also contributed to environmental degradation and loss of biodiversity. This is because affected households have taken up negative coping strategies, such as charcoal burning in a vicious cycle of environmental degradation. Human activities have also been cited as a cause of forest fires that have been reported in Makueni County in October 2022, destroying over 700 acres of forest.

ASAL counties host approximately 90 per cent of Kenya's wildlife and significantly contribute to income for the tourism industry. With the prevailing drought, wildlife have also been severely affected. As at October 2022, a total of 179 elephants had died mainly in the Tsavo which lost about 109 elephants and Amboseli which lost 11. This has significantly impaired wildlife conservation efforts and led to possible loss of income.

The current drought has particularly exacerbated resource-based conflicts. Vegetation deficit and diminishing water sources have forced pastoralists from the ASAL counties to migrate to more resource endowed areas. Resource-based conflicts over water and pasture were reported in 2021 along Kenya's borders with Uganda and South Sudan. Instances of conflicts along ASAL counties borders also increased with the most persistent conflicts being along the Isiolo-Meru counties borders. These conflicts have resulted to loss of lives, crop destruction and death and injury to livestock as presence of and presence of small weapons and light arms have made the conflicts more deadly. Reactive interventions such as the ban on camel crossing to the Meru County have also heightened tensions along county borders, with calls for peace dialogue and accommodation of pastoralists.

Response and Drought Mitigation Efforts

Both the National and County Governments have showed great commitment in drought response and mitigating the effects. The ASAL counties are currently implementing short-term response interventions to ease the suffering of their citizens. In November 2022, the government had allocated Ksh 2 billion under the National Drought Emergency Fund, despite estimating that Ksh 17 billion was needed between then and January 2023 to adequately respond to the drought. The Ksh 2 billion were in addition to Ksh 3.2 billion that the government had already released to purchase relief food. Plans are ongoing to collaborate with development partners to raise an additional Ksh 10 billion.

Key short-term responses that have so far been implemented include allocating funds for humanitarian responses such as food and feed distribution, and provision of water tracking services and cash transfers to drought-stricken households. The same responses have also been undertaken by the National Government agencies such as NDMA, development partners and the private sector firms. The private sector firms have been active in fundraising, thus enabling the National Steering Committee on Drought Response constituted by the President to raise over Ksh 500 million towards drought response.

Collaborations between counties and National Government agencies in addressing the effects of the drought have also been critical. Isiolo County, for example, received Ksh 150 million in September 2022 for water projects from Water Sector Trust Fund as part of the implementation of Sustainable Management and Access to Water and Sanitation in the ASALS Programme (SWASAP). The water projects aimed to increase community resilience and adaptation to climate change in 3,000 households and 90 villages in Isiolo County. Additionally, Ksh 950 million was spent by the National Government on livestock offtake while Ksh 446 million was used on water response activities.

Box 1: Key short-term drought response in selected counties between January 2021 and December 2022

Turkana • Distribution of relief food to vulnerable households • Cash transfers to vulnerable households and integrated medical outreach to under-fives, pregnant and lactating women	**Meru** • Cash transfer to households • School feeding programmes • Routine disease surveillance, routine screening management of malnutrition at health facility level
Samburu • Integrated distribution of corn blend soya to health facilities • Distribution of water treatment tablets and water trucking • Distribution of emergency livestock feeds	**Narok** • Unconditional cash transfer plus • Provision of livestock feeds, deworming, vaccination, and treatment • Therapeutic integrated management of acute malnutrition for the under-fives, pregnant and lactating mothers, outpatient therapeutic programme (OTP) and stabilization centres
Tana River • Cash and voucher assistance • Nutrition outreaches • Distribution of inputs and trainings on agriculture • Distribution of fodder seeds • Water trucking	**Tharaka Nithi** • Provision of food relief to schools and households • Cash transfer to households

The bulk of the actions and responses as shown in box 1 above have mostly been short-term humanitarian interventions to improve food availability and livelihood support for the most vulnerable. However, both National Government and County Governments are increasingly investing in long-term interventions towards climate change mitigation and adaptation. During the 7th Devolution conference held in 2021, commitments were made to forge cooperation, coordination, consultation, and collaboration in designing and implementing practical policies, strategies and action plans to address climate change. Counties committed to enact climate change-related policies and legislation to provide legal frameworks for rolling out climate change-related programmes and projects. So far, Turkana, Garissa, West Pokot, Tana River, Isiolo, Nyeri, Tharaka Nithi, Laikipia have enacted County Climate Change Acts.

Agreements were also made to increase resource allocation towards climate change mitigation and adaptation during the next budgeting cycles. Both levels of government agreed to build robust public finance management legal frameworks to ring-fence public funds for climate change action. Counties are required to put in place County Climate Change Fund (CCCF) which is a 1 per cent of their total annual budget. So far, Tharaka Nithi, Isiolo, Makueni, Kitui, Marsabit, Isiolo, Garissa and Wajir are among counties that have established climate action funds. Kitui County, for instance, has created a Ksh 117 million climate adaptation fund to address issues of solar and other renewable sources of energy to turn to green energy. While Wajir County allocated Ksh 80 million (2021/2022) and Ksh 84 million (2022/2023) towards climate change action.

Counties are also developing and expanding irrigation infrastructure as part of long-term adaptation strategies. For instance, Kwale County government launched the Ksh 107 million Kizingo dam in October 2022 in a bid to improve access to water for residents. The National Government is also establishing major water projects such as the Ksh 20 billion Mwache dam and the Ksh 1.2 billion Makamini dam that will supply water to Kwale, Kilifi and Mombasa counties.

Innovative Long-Term Interventions

While short-term drought responses such as food distribution and water tracking are necessary to offer reprieve to affected households, they are not sufficient in addressing droughts. Long-term interventions that are sustainable are critical to fully tackle drought emergencies. In addition to the current policy commitments, short-term emergency responses and long-term infrastructural investments, National and County governments can consider implementing the following strategies as part of a concerted long-term strategy towards managing future droughts:

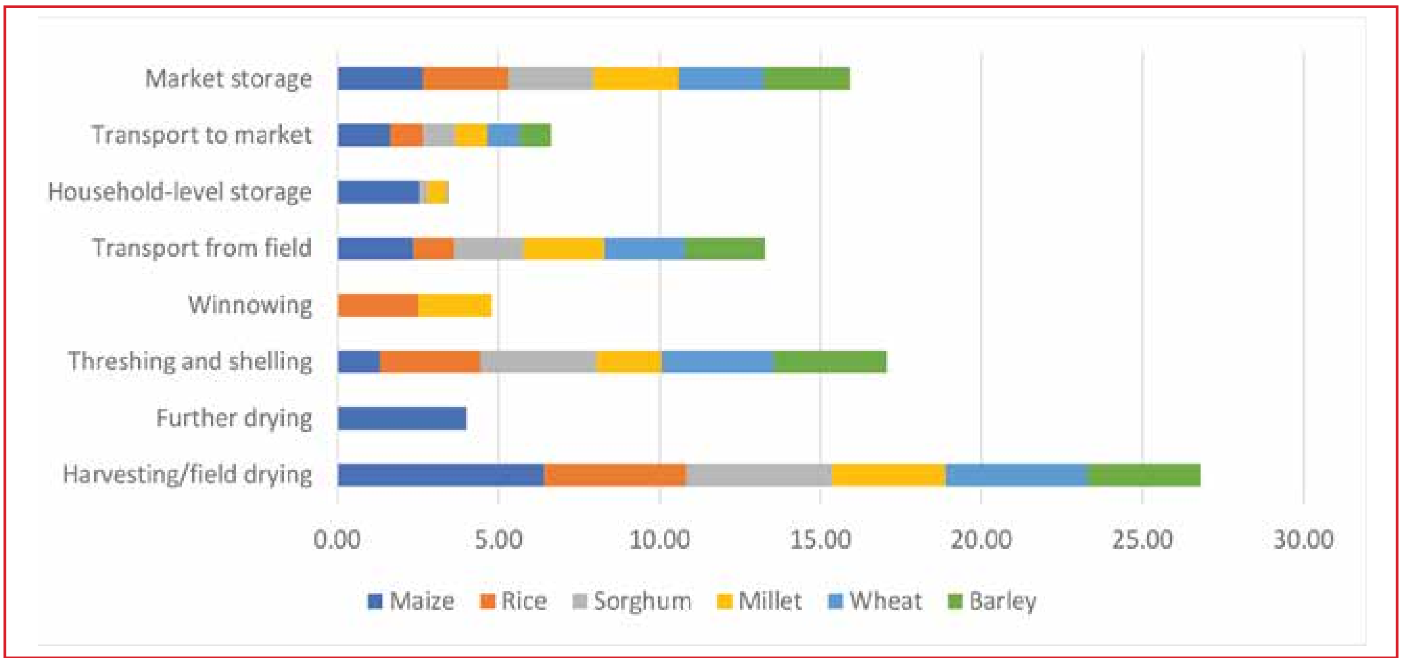
Reducing post-harvest losses

Better post-harvest management in Kenya's food baskets can help strengthen food security and at the same time reduce pressure on natural resources and improve farmer's livelihoods. Post-harvest losses (PHL) are a major challenge in Kenya's agricultural sector despite their criticality in food security.

Production of cereals and legumes in Kenya has been drastically affected by drought. For instance, the Kenya Economic Survey 2022 revealed that maize production decreased by 12.8 per cent from 42.1 million bags in 2020 to 36.7 million bags in 2021 . Therefore, efforts to avert post-harvest losses in both ASAL and non-ASAL counties would go a long way in enhancing food security. Reduction in PHL will help increase availability of food that can subsequently be distributed and consumed in ASAL counties. Lower PHL can potentially reduce the cost of food and improve access to food in both ASAL and non-ASAL counties.

Post-harvest losses lead not only to losses in valuable land but also represent wastage in scarce resources, particularly land, inputs, water and labour used to produce the food. Estimates by the African Postharvest Losses Information System (APHLIS) show that in 2021, PHL of cereal grains in Kenya were about 16.7, 13.2, 12.6, 12.7, 12.5 and 13.3 per cent of maize, wheat, sorghum, millet, barley and rice production, respectively. There is generally no consensus on the acceptable level of PHL as the goal is to have zero PHL. However, the PHL levels in Sub-Saharan Africa are significantly higher when compared to the rest of the world. Reduction in PHL levels is supported by the United Nations Sustainable Development Goal (SDG) Goal 12.3 that aims to halve per-capita global food waste and food losses by 2030. Additionally, the Malabo Declaration on Ending Hunger in Africa by 2025 calls for African Union Member States to cut 2014 levels of post-harvest losses by half until 2025. The link between post-harvest losses and ASAL food security is indirect since most food production occurs in non-ASALs but reduction in PHL also benefits ASALS through increased food availability.

Figure 1: Percentage loss - estimates per value chain step (2021)



Data Source: www.aphlis.net/en/data/tables/overview/KE/all-crops/2021

There are techniques that have been proven to be effective in reducing PHL across the value chain. County Departments of Agriculture need to consider advancing them. Some post-harvest management strategies might be expensive to small-scale farmers, hence organizations such as National Cereals and Produce Board (NCPB) can play a role in offering critical logistics support services to include grain post-harvest services such as drying, cleaning, storing, warehousing, fumigation, weighing, bagging, aflatoxin testing and grading at fair prices. Given its mandate on food security matters, through its various depots, NCPB could undertake food production and marketing surveillance to ensure utilization of its services by small scale famers to minimize PHL in the country.

Enhancing feed security

Urbanization and changing land use has made it difficult for pastoralists to practice mobile pastoralism as they did in the past. Therefore, there is need to encourage them to leverage on feed security by growing, harvesting and storing fodder to use during drought. Commercial fodder production is also a profitable agribusiness that is being pursued by entrepreneurial farmers, which has been helping ease the effects of drought. There is need for both county and national governments to increase adoption of forage farming and establishment of storage facilities to enhance feed security. Some counties such as Narok have included such projects in their second generation CIDPs and with persistent droughts it will be important to continue with such initiatives.

Facilitating grazing agreements

ASAL counties can consider facilitating cross county and in-county grazing agreements to reduce resource-based conflicts. Such efforts were first initiated by NGOs such as the Northern Rangeland Trust (NRT), which initiated such agreements between Laikipia ranchers and local pastoralists in Laikipia County. This helped secure the livelihoods of thousands of pastoralists while at same time easing the tension among farmers and ranchers in that county. Among pastoral communities' reciprocal resource sharing agreements can also be encouraged. This will help facilitate pastoral mobility and ease access to crucial grazing lands and water resources, thus enhancing resilience. Grazing agreements are even more important between pastoralists and sedentary farmers as they tend to have different understanding of their relationship to land. Both livelihoods are highly interdependent and can be secured through mutual agreements and co-existence.

Encouraging early commercial livestock offtake

Pastoralism is a livelihood and production system that is deeply connected to culture, identity, and socio-political organization. This has inadvertently made it difficult for many pastoralists to sell off animals at the onset of drought, leading to distress sales when livestock are at the brink of death. Early warning systems by NDMA can be leveraged on to help inform pastoralists on the optimal time to sell off their livestock during droughts. Commercial offtake even during normal seasons has over the years increasingly converted pastoralism in some ASALs from subsistence to commercial. However, Governments and NGOs may need use incentives to encourage early animal offtake in more traditional ASALs. This will involve continuously development of markets and connection to market outlets. In extreme cases, Government can consider acquisition of livestock at the risk of starvation with an assurance of support in restocking after the drought period.

Uptake of livestock insurance

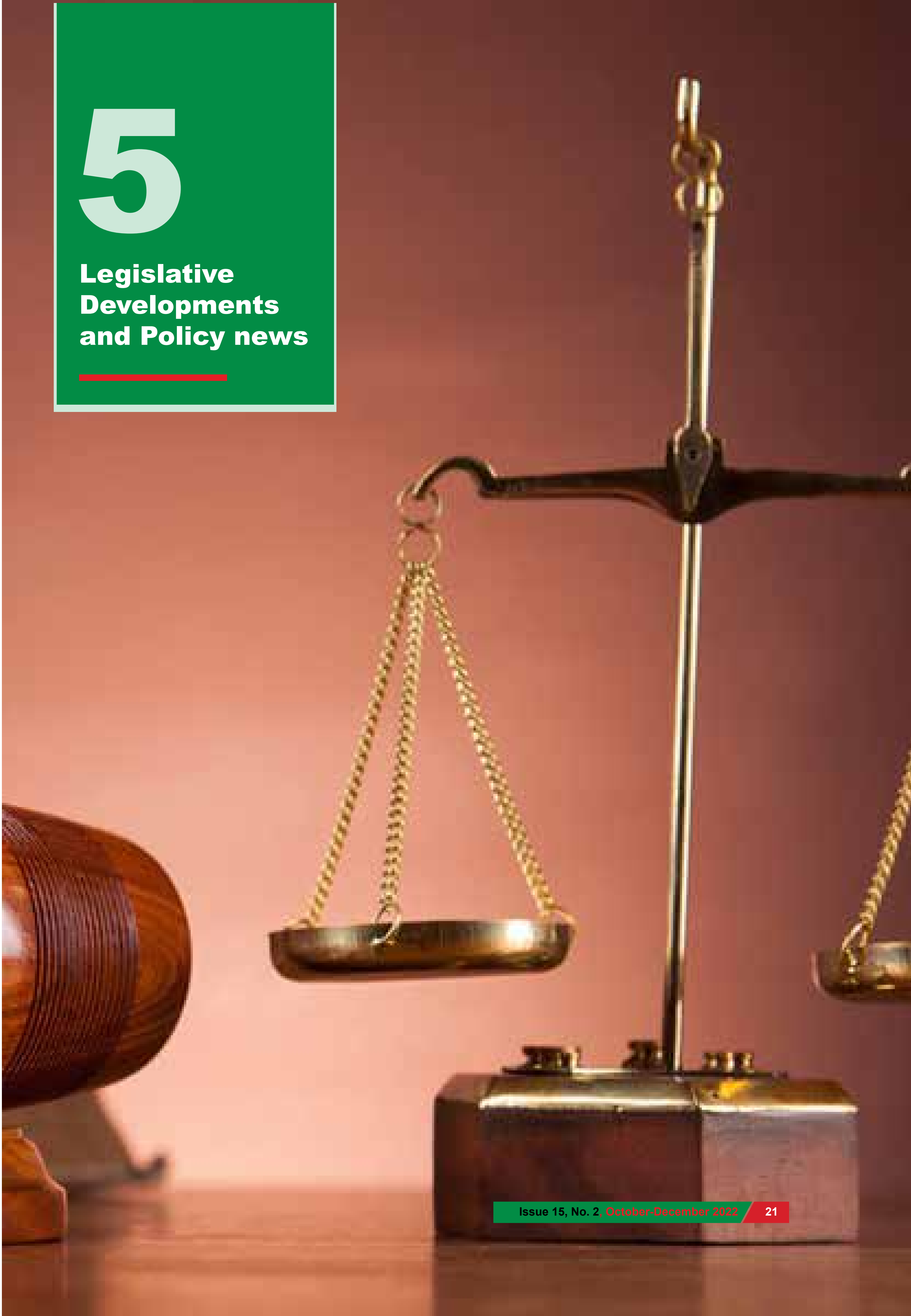
In 2015, the Government of Kenya officially launched Kenya Livestock Insurance Programme (KLIP), with the aim of protecting pastoralists against climatic shocks. Additionally, livestock insurance is offered by the main commercial insurance companies in Kenya. However, the uptake by pastoralists has remained sub-optimal. ILRI estimates that as at 2019, only 200,000 pastoralists were insured under all IBLI programmes combined in Kenya and Ethiopia compared to approximately 19 million pastoralists and agro-pastoralists living in both countries combined. The key challenges have been low awareness of livestock insurance among pastoralists, low insurance renewal rates among the adopters, financial losses for the insurance companies, and high operational costs due to remoteness of many pastoralists. Governments' interventions in surmounting these challenges through incentives, infrastructural investments, financial literacy programmes and collaboration with the private sector are therefore needed to increase uptake of livestock insurance.

Conclusion

The current drought is causing devastation in the ASALs of Kenya and, therefore, concerted drought relief efforts by both County and National governments are critical. These responses when combined with long-term investments in climate change mitigation and supportive policies will have higher impacts. The droughts are projected to be more frequent and severe with climate change and hence the need to continuously enable communities to adapt as majority still depend on resource-based livelihoods such as rainfed agriculture and pastoralism.

5

Legislative Developments and Policy news



A. Legislative Developments

a) Acts of Parliament

1. The National Transport and Safety Authority (Amendment) Bill 2022 was gazetted on 28th October 2022, the principal object of this Bill is to amend the National Transport and Safety Authority Act Section 4 of No.33 2012 to assign additional functions to the National Transport and Safety Authority. The proposed additional functions include the establishment of systems and procedures for the regional registration and licensing of two and three wheeled public motor cycle taxis, and the regional registration and licensing of drivers of two and three wheeled public motor cycles taxis by county governments, in consultation with the Authority.

2. The Kenya Information and Communication (Amendment) Bill, 2022 was gazetted for introduction into the National Assembly on 10th November 2022. The principal object of the Bill is to amend the Information and Communication Act CAP 411A to enable persons operating a telecommunication system or providing a telecommunication service to engage in any other business and provide for the separation of such other businesses from the telecommunication business. The amendment will provide for a regulation framework for such businesses as the proposed amendment provides for reporting by the communications Authority on compliance with the proposed provision and penalty for non-compliance. The amendments will further aid in control of anti-competitive practices by the large industries in the sector.

3. The Health (Amendment) No.2 Bill 2022 was gazetted on 28th October 2022. The object of this Bill is to amend the Health Act No. 21 of 2017 to introduce new sections that provide for the development of policy guidelines to regulate referral of patience to health institutions both within and outside the country. The new section will ensure that the relevant stakeholders are involved in developing such policy guidelines to ensure that the process of referral to hospitals outside the country is not subjected to abuse.

b) National Assembly Bills

1. The Pensions (Amendment) Bill 2022 was gazetted on 28th October 2022.The principal object of the Bill is to amend the pensions Act CAP 189 to provide a timeline within which pension shall be payable to an officer. The Bill seeks to remedy the delays experienced in payment of pension to pensioners upon maturity of pension funds.
2. Parliamentary Pensions (Amendment) Bill, 2022 was gazetted for introduction into the National Assembly on 28th October 2022. The principal object of the Bill is to amend the Parliamentary Pensions Act CAP 196 to bring it into conformity with the Provisions of the Constitution of Kenya 2010 and provide for the Act to apply to members of both houses of Parliament. The Bill further seeks to bring Cap 196 into conformity with the directions of the Salaries and Renumerations Commission as regards the retirement benefits due to Members of Parliament.

3. The Geriatric Bill, 2022 was gazetted for introduction into the National Assembly on 4th November 2022. It is an Act of Parliament to give effect to Article 57 of the Constitution of Kenya to Establish National Council for the Elderly, to provide for care for the elderly persons, to provide for empowerment and protection of the elderly and for the maintenance of their well-being, safety and security and for connected purposes.

4. Petitions to Parliament (procedure)(Amendment) Bill, 2022 was gazetted for introduction into the National Assembly on 10th November 2022. It is an act of Parliament to amend the Petitions to Parliament Procedure Act to require petitioners to file relevant evidence of the efforts made to have the matters raised in a petition addressed by a relevant body and any matters pending before Court. Where matters are pending before Court, a petitioner is to attach evidence of the Court proceedings or judgment. It further introduces the aspect of a petitioner indicating their contact information for ease of tracing and conveyance of a reply or request for clarification through information and communications technology means such as mobile telephones and electronic mail. The Bill further proposes to amend section 4 of the Act to empower a committee established to review and consider petitions to reject a petition where the issues in respect of which the petition is made are pending before any court of law or other constitutional or legal body or the petitioners fail to comply with the directions given by the committee to amend the petition.

5. Equalization Fund Bill was gazetted for introduction into the National Assembly on 28th October 2022. The principal object of the Bill is to Operationalize the Equalization Fund as established under Article 204 of the Constitution. The Bill proposes to establish a board to administer the fund in instances where the fund is directly used for the provision of basic services including water, roads, health, facilities and electricity to marginalized areas to bring the quality of the provisions of such services as nearly as possible to the same quality enjoyed by other areas in the country. The bill further proposes the establishment of local equalization fund committee in each ward in marginalized areas as determined by commission on revenue allocation on its report prepared pursuant to Article 216 of the Constitution. The local committees are tasked with identifying projects for funding in consultation with local committees, with the final decision being made by the boards and implementation done by a project implementation committee.

6. The Land (Amendment) Bill, 2022 was gazetted for introduction into the National Assembly on 28th October 2022. The principal object of the Bill is to amend the Land Act No.6 of 2012 to provide that where public land has been allocated to a public body or

public institution by the National Land Commission for a public purpose or where land set aside by persons or land buying companies for a public purpose, the Registrar of Lands under the Land Registration Act 2012 shall issue a certificate of tittle in the name of the public body, public institution or the relevant ministry as the case maybe. As it is presently, public land and land set aside for a public purpose by land buying companies continues to be grabbed by private persons primarily because there exist no certificates of tittle issued in respect to such land. The bill therefore seeks to provide for registration of public land.

7. Public Service Values and Principles (Amendment) Bill, 2022 was gazetted for introduction into the National Assembly on 28th October 2022. The principal object of the Bill is to amend the Public Service Values and Principles Act to require all state organs in the National and County governments and State Corporations to submit annual reports on details of the human resource in constitutional commissions, independent offices and county public service boards and county assembly service board. The reports should contain details outlining the total number of employees and highlighting their gender, age, county of birth and county of residence.

8. The Statutory Instruments (Amendment) Bill, 2022 was gazetted for introduction into the National Assembly on 14th October 2022. The principal object of the Bill is to amend the statutory instruments Act 2013 to require the clerk of the relevant House of Parliament to notify the public of the annulment or revocation of a statutory instrument. This shall ensure the timely implementation of the resolutions of the house on delegated legislations.

   The bill seeks to implement the resolutions made by the 12th Parliament in its approval of the 5th report of the Procedure and House Rules Committee on amendments to the standing orders.

9. Parliamentary Powers and Privileges (Amendment) Bill, 2022 was gazetted for introduction into the National Assembly on 14th October 2022. The principal object of the bill is to amend the Parliamentary Powers and Privileges Act 2017 to allow the Speaker of a House of Parliament to designate a member to chair the committee of powers and privileges in him or her absence and to prescribe categories of members and qualifications that may inform each house in selecting members to serve in the committee.

10. Political Parties (Amendment) Bill, 2022 was gazetted for introduction into the National Assembly on 14th October 2022. The principal object of the bill is to amend the Political Parties Act 2011 to require the Registrar of Political Parties to convey to the Clerk of each House of Parliament any coalition agreement deposited in to his or her office. The Agreements shall be useful to the Houses of Parliament in relation to determination of the question on the entitlement of parties and coalitions that are tied to their number of members in each House. The amendment further requires the registrar to convey any agreement existing as at the commencement of its provisions to the Clerk of each House of Parliament.

11. Public Finance Management (Amendment) Bill, 2022 was gazetted for introduction into the National Assembly on 14th October 2022. The principal object of the bill is to amend the Public Finance Management Act 2012 to increase the period for consideration of the budget policy statement from fourteen to twenty -one days to allow for comprehensive scrutiny of the proposals contained in the statement.

12. The Independent Electoral and Boundaries Commission (Amendment) Bill, 2022 was gazetted for introduction into the National Assembly on 2nd November 2022. The principal object of the bill is to amend the First Schedule to the Independent Electoral and Boundaries Commission No.9 of 2011 to change the composition of the selection panel that oversees the filing of vacant positions in the commission. The proposal seeks to reduce the current allocation of the Parliamentary Service Commission, which nominates four out of seven members of the panel. The proposal will allow the Political Parties Liaison Committee, established under section 38 of the political parties Act No.11 of 2011 and the Public Service Commission to each nominate one member to the panel.

13. The Sugar Bill 2022 was gazetted for introduction into the National Assembly on 6th October 2022. The principal object of the bill is to reinstate the Sugar Act, which was repealed through enactment of the Crops Act 2013. The Enactment of the Bill shall restore the roles of the Kenya Sugar Board, currently undertaken by the Sugar Director of the Agriculture and Food Authority established under the Agriculture and Food Authority Act, 2013.

c) Senate Bills

1. The County Vocational Education and Training Bill, 2022 was gazetted for introduction into Senate on 26th October 2022. The principal object of this Bill is to provide for the establishment of the systems for the administration of training in vocational education and training within a county and for connected purposes.

2. The County Governments Additional Allocations (No. 2) Bill, 2022 was gazetted for introduction into the Senate on 26th October 2022. The principal object of this Bill is to provide for additional allocations to county governments for the 2022/2023 financial year, the responsibilities of National Government and County Governments pursuant to such allocation, and for connected purposes.

B. Policy News

a) Kenya-South Korea Relations

President William Ruto's three-day official visit to the Republic of Korea on 21- 24 November 2022 was instrumental in nurturing and expanding ties between Kenya and South Korea with an aim of realizing social economic development. During the bilateral talks, President Ruto and South Korea's President Yoon Suk Yeol, South Korea agreed to support Kenya's development agenda by committing Ksh 120 billion to various projects including agriculture, ICT, health, education, energy, infrastructure, affordable housing, and urban transport. Key projects that will benefit from the funding include Konza Technopolis, Nairobi Intelligent Transport System and Bus Rapid Transit. Under the bilateral deal signed during the visit, South Korea will also assist in the development of Sagana Industrial Park, Dongo Kundu, Athi River and Naivasha Special Economic Zones, local agro-processing for tea and avocados and construction of dams, an export promotion zone dedicated to pharmaceutical manufacturing, vaccine production and value addition in agriculture. President Ruto also held a meeting with the Speaker of Republic of Korea Parliament H.E. Kim Jin Pyo in which the two leaders pledged to work together to enhance clean energy to mitigate the effects of climate change. The President also urged the South Korean Parliament to pass laws that will ease trade between the two countries.

b) Kenya-Democratic Republic of Congo Relations

Kenya has reaffirmed its commitment to restoration of sustainable peace and stability in the Eastern Democratic Republic of Congo (DRC). President William Ruto's one-day official visit to the DRC on 21st November 2022 was instrumental following the deployment of Kenya Defence Forces (KDF) to the country in November 2022. The KDF contingent is part of the East African Community Regional Force (EACRF) deployed in the DRC to 'enforce peace' in the volatile eastern part of the country. Peace enforcement is a subset of peace operations in which military force is employed as a tool of coercive diplomacy to end an ongoing conflict, implement a cease fire or create a secure environment for other elements of peace operations to succeed. During the visit, President Ruto and his host, President Felix Tshisekedi, held bilateral talks in which they reiterated historical and strategic ties between the two countries. The two Heads of State agreed to form a joint committee to define areas of cooperation with a focus on security, trade, and investment. President Ruto noted that Kenya is playing a crucial role as a member of the East African Community (EAC) in support of the Nairobi Peace Process that involves talks between the Government of DRC and several armed groups including the M23 rebels in Eastern DRC. Former President Uhuru Kenyatta is the facilitator of the EAC-led peace process. Restoration of peace and security in Eastern DRC is critical not only for the DRC as a new member of the EAC but also for the entire region.

c) Kenya-South Africa Relations

South African President Cyril Ramaphosa made a two-day official visit to Kenya on 9-10 November 2022. During the visit, President William Ruto noted that Kenya and South Africa are strategic allies with shared interests to build stronger socio-economic ties. The key issues that dominated the talks between the two leaders and their respective delegations include promotion of partnership in trade, agriculture, housing, and capacity building in the public service. Presidents Ruto and Ramaphosa also signed four instruments of cooperation to enhance relations between the two countries. Three Memorandums of Understanding (MoUs) and one agreement on cooperation in the fields of correctional service, cooperation on housing and human settlement were signed by the two sides. The two heads of state also directed their respective trade ministers to develop a framework that will be used to identify, monitor, and resolve the Non-Tariff Barriers (NTBs). One of the major agreements reached by the two leaders was the removal of visa requirement for Kenyans visiting South Africa. Consequently, Kenyans traveling to South Africa for up to 90 days will not need to apply for visa from January 2023. Since 2017, South Africans have been able to visit Kenya without a visa for up to 90 days. The new visa regime will boost tourism and business between the two countries.

d) Kenya-Ethiopia Relations

President William Ruto and Ethiopia's Prime Minister Abiy Ahmed held bilateral talks in Addis Ababa Ethiopia, during the President's one-day official visit on 6th October 2022. The Ethiopian leader emphasized that the historic relations between the two countries were anchored on strong foundations and cordial cooperation focused on matters of mutual interests. On his part, President Ruto expressed Kenya's desire to exploit its long-standing relations and proximity with Ethiopia to increase cross border trade. The two leaders confirmed their commitment to work for common prosperity of the two countries especially in technology. During the talks, President Ruto reiterated Kenya's support for African Union-led peace efforts in

Ethiopia between the Government and the Tigray People's Liberation Front, noting that insecurity and violence are threats to sustainable development. President Ruto was also in the neighbouring country to witness the official launch of the Safaricom Telecommunications Ethiopia (STE). In the run-up to the launch, STE had launched customers pilots of its networks in three regions, namely Dire Dawa, Harari and Oromia. The company targets to have about 30 million customers in Ethiopia by April 2023. In addition, the company plans to launch services in 23 cities by April 2023 to meet the 25 percent population coverage obligation in its license. It is expected that Safaricom Ethiopia will boost the country's economy through digital transformation.

e) Kenya-Tanzania Relations

President William Ruto made a two-day official visit to Tanzania on 9-10 October 2022, during which he held bilateral talks with Tanzania's President Samia Suluhu Hassan. The President promised to speed up plans by Kenya to import cheap natural gas from Tanzania. The signing of an MoU between Kenya and Tanzania on Cooperation in Natural Gas Transportation in 2021 paved way for the construction of a multi-billion-shilling pipeline to transport liquefied national gas (LNG) from Mtwara region to Mombasa where the Government of Kenya expects to build an LNG storage facility. Tanzania has significant natural gas resources estimated at 57.8 trillion-cubic feet. The bilateral meeting largely centred on enhancing ties between the two countries, including ways of removing trade restrictions. The two leaders also agreed to strengthen border security through cooperation to eliminate transnational crimes, including human and drug trafficking, poaching, and terrorism.

C. Global News

a) Climate change, food and energy security dominate G20 Summit

The G20 Summit was held from 15-16 November 2022 in Bali, Indonesia under the theme: "Recover together, recover stronger." The G20 leaders discussed the challenges to global food security exacerbated by the ongoing Russia-Ukraine conflict and tensions. They committed to take urgent actions to save lives, address vulnerabilities of developing countries and accelerate transformation towards sustainable and resilient agriculture and food systems and supply chains. The G20 leaders supported the international efforts to keep food supply chains functioning under the difficult circumstances and welcomed the Black Sea Grain Initiative brokered by the United Nations and Turkey to open a safe maritime humanitarian corridor in the Black Sea. The leaders also underlined the urgency to rapidly transform and diversify energy systems, advance energy security and resilience and markets stability. They stressed the importance of ensuring that global energy demand is matched by affordable energy supplies. Further, the G20 leaders reaffirmed their steadfast commitments to tackle climate change and strengthening full and effective implementation of the Paris Agreement. They urged developed countries to fulfil their commitments to deliver on the goal of jointly mobilizing funds for climate financing. They also recognized the need to strengthen global health governance and expressed their commitments to promoting a healthy and sustainable recovery.

b) COP27 delivers Loss and Damage Fund to vulnerable countries

The creation of a specific fund for loss and damage in vulnerable countries due to effects of climate change was a landmark breakthrough at the 27th session of the Parties to the United Nations Convention on Climate Change (UNFCCC), Paris Agreement, that was held from 6th-18th November 2022 in Sharm El-Sheik, Egypt. The adverse effects of climate change have resulted in devastating losses, including forced displacement and impacts on cultural heritage, human mobility and lives and livelihoods of local communities, and consequently undermining the realization of the Sustainable Development Goals. The COP27 meeting also reaffirmed the critical role of multilateralism and international cooperation for addressing global issues, including climate change and poverty reduction efforts. It was also emphasized that enhanced effective climate change action should be implemented in a manner that not only promotes justice and inclusiveness but also minimizes negative social and economic impacts that emanate from climate action. The conference also reiterated the central role of science for effective climate action and policy making. It was also observed that limiting global warming to 1.5 degrees Celsius requires rapid, deep and sustained reductions in global greenhouse gas emissions of 43 per cent by 2030, relative to the 2019 level. Other issues that were highlighted during the conference include mitigation, adaptation, renewable energy, climate finance, early warning and systematic observation.

c) President William Ruto addresses United Nations General Assembly

His Excellency, President William Samoei Ruto, delivered his first address at the 77th Session of the United Nations General Assembly in New York on 21st September 2022 as President of the Republic of Kenya. Previously, he had addressed 71st Session on 21st September 2016 as Deputy President. During this year's General Debate, President Ruto noted that the 77th Session had come at a unique time when the entire world was struggling with multiple grave challenges that include regional conflicts, COVID-19 pandemic, food insecurity and rising cost of living. Therefore, he observed that the theme for the 77th Session; "A Watershed Moment: Transformative Solutions to Interlocking Challenges," is timely. President Ruto noted that the democratization of governance and re-imagined multilateralism advocated by the Global South is critical in addressing the interlocking challenges. The President underscored the devastating consequences of climate change, highlighting that severe drought coupled with the COVID-19 pandemic and the Russia-Ukraine conflict had left the Horn of Africa food insecure. Similarly, Kenya's Arid and Semi-Arid Lands (ASALs) have been gravely impacted by drought whose severity has not been experienced in 40 years. As a result, 3.1 million residents in the country's ASALs face severe food insecurity due to scarce rainfall over three consecutive seasons leading to poor crop and pasture. President Ruto also called upon international financial institutions and the G20 to employ all financial instruments available to provide debt relief to worst-hit countries and payment extension to middle-income countries in the post-pandemic and conflict-ridden world facing climate change. The President emphasized that a just and inclusive system of global governance is critical in getting citizens of the world, enterprises, and industries back on their feet so that the engine of development can power societies towards prosperity in the spirit of building back better from the bottom upwards by including marginalized working majority.

6

KIPPRA Collaborative Research Projects

Cross economy analysis of models used for green transitions in agriculture and energy sectors in Kenya

The World Resources Institute (WRI) and New Climate Economy (NCE), in collaboration with Kenya Institute for Public Policy Research and Analysis (KIPPRA), are undertaking a study on Cross Economy Analysis of the Models used for Green Transitions in Agriculture and Energy Sectors in Kenya. This study aims to conduct an initial cross-economy analysis scoping exercise to identify opportunities for enhancing climate impact through mitigation and adaptation action at the energy-agriculture nexus. The cross-economy analysis focuses on the agriculture and energy sectors to map out existing modeling and analytical capacities and identify key gaps that 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 modeling and analysis, aiming to identify, quantify and select sound economic evidence that will form the basis for the formulation of green transition policies and advise on appropriate investment decisions at the national and county levels under energy and agricultural programmes. The inception report has already been developed, and the fieldwork is complete.

KIPPRA, in collaboration with World Resources Institute (WRI), hosted a stakeholder dissemination workshop on cross economy analysis report on the models used in assessing green transitions in agriculture and energy sectors in Kenya. The event on 30th November 2022 brought together representatives from WRI, New Climate Economy, Counties, and stakeholders from the agriculture and energy sectors.

Development of public spending datasets and public spending analysis in 2022

The National Policy and Strategy for Food, Land, and Water Systems (NPS) is a new CGIAR research initiative that will be implemented in Kenya and other countries. The International Food Policy Research Institute (IFPRI) has signed a Memorandum of Understanding with both the Kenya National Bureau of Statistics (KNBS) and the Kenya Institute for Public Policy Research and Analysis (KIPPRA). Through NPS, together with Foresight and Metrics Initiative for Food, Land and Water Systems (F&M), IFPRI-Kenya office and country modeling team based in IFPRI headquarters will work closely with KIPPRA and KNBS to compile Kenya public expenditure data to being able to analyze and report on trends and composition of spending at national and county level. In this activity, KIPPRA and KNBS will collect, classify, and compile Kenya's public expenditure data to be able to analyze and report on trends and composition of spending at national and county levels. The team has held two workshops to disaggregate and compile the data set as required. The second project under IFPRI is the development of Kenya's new Social Accounting Matrix (SAM). Through NPS, together with Foresight and Metrics Initiative for Food, Land and Water Systems (F&M), IFPRI-Kenya office and country modeling team based in IFPRI HQ will work closely with KIPPRA and KNBS in development of Kenya new 2019 Social Accounting Matrix (SAM) based on the newly rebased national accounts and new SUT. The 2019 SAM is to be officially owned by the KNBS and a 42-sector SAM will become a publicly accessible dataset possibly published on KNBS website by the end of 2022.

Ukama Ustawi Initiative Diversification for resilient agribusiness ecosystems in East and Southern Africa

Participants pose for photo during Ukama Ustawi Kenya National Policy Dialogue on Diversification for Resilient Agri-Food Systems in East & Southern Africa

Ukama Ustawi (UU) project is aimed at supporting climate-resilient agricultural livelihoods and agribusiness ecosystems in 12 East and Southern Africa countries to help millions of vulnerable smallholders' transition from maize-mixed systems to sustainably intensified, diversified, and de-risked agrifood systems with a strong maize base. Targeted to address seven key SDGs, the focus of this initiative is to improve public and private extension and delivery channels enabled by the agribusiness ecosystem, enterprise development, and private investment. KIPPRA, through FANRPAN, is to coordinate the policy engagement components by undertaking Actor and Policy Mapping Exercise of the status of the country's policies as far as agriculture, climate change and environment and natural resources is concerned, and convene a national policy dialogue to share the findings of the country policy mapping and other outputs in the work packages.

The second component in FANRPAN/KIPPRA collaboration is the ClimBeR project on Building Systemic Resilience against Climate Variability and Extremes Study in Zambia and Kenya. The central objective of ClimBeR project is to transform the climate adaptation capacity of food, land, and water systems in six LMICs, ultimately increasing the resilience of smallholder production systems to withstand severe climate change effects such as drought, flooding, and high temperatures. KIPPRA, through FANRPAN is expected to coordinate the policy engagement component where it is required to identify and liaise with in-country stakeholders for Kenya and identify target policies for the iFEED and organise and deliver workshops as needed to co-develop policy pathways towards sustainable, resilient and nutrition-secure futures.

Country Economic Transformation Outlook

KIPPRA, in collaboration with African Centre for Economic Transformation (ACET), is working on the Kenya Country Economic Transformation Outlook study, whose objective is to undertake a comprehensive diagnostic analysis of Kenya's economic transformation progress and challenges and to offer policy advice to the public and non-state actors. On

30th November, a stakeholder workshop was conducted to discuss the concept note. The workshop brought together the public sector, private sector, civil society and other stakeholders within the country and Africa at large. The event was graced by KIPPRA Executive Director, Dr Rose Ngugi and ACET Director of Innovation and Digital Policy, Mr Rob Floyd.

KIPPRA-AERC Institutional Partnership Grant

KIPPRA has received an institutional partnership grant from Africa Economic Research Consortium (AERC) to build the 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 research fields. 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 the right to the 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 recommendations 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.

Implications of COVID-19 on essential health services in Kenya

KIPPRA, in collaboration with Africa Economic Research Consortium (AERC), is researching 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 for adequately and appropriately providing public health services during pandemics.

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 also supports transitioning UNICEF county-level support to be fully reflected on plans and budgets (including UN Women and UNDP support). The Institute has developed seven (7) national budget briefs (2017/18-2021/22) and is setting up a virtual policy platform for supporting county governments. The seven national budget briefs focus on macro public finance management; education and training; health; child protection; nutrition; water, sanitation, hygiene; and social protection. The programme is being implemented in partnership with CoG, CAF, UNICEF, UN-Women and UNDP.

Youth and children dashboard

KIPPRA and the Executive Office of the President Advisory and Strategy Unit (PASU) is working on the migration of the employment initiative mapping tool, the Youth and Children Dashboard, to be hosted at KIPPRA. KIPPRA, in partnership with other agencies (Dalberg and Mastercard Foundation) developed the Dashboard. KIPPRA shall 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.

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, is 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 involved understanding the functioning of formal and informal employment institutions in Kenya and, to a large extent, the Global South.

KIPPRA, in collaboration with Partnerships for Economic Policy (PEP) and Master Card Foundation (MCF), held a national conference on 22nd November to present the findings of a research on "empirical review of youth employment policies in Kenya and interventions towards addressing youth unemployment: what works?" The forum was held through a blended physical and virtual platform and brought together policy makers, civil society, the public sector, the private sector, and other stakeholders within the country and in the region.

7

KIPPRA EVENTS

Launch of:

Kenya Economic Report, Children Booklet on National Values and PWDs, and Children Reports

Launch of Kenya Economic Report 2022

KIPPRA launched the Kenya Economic Report (KER) 2022 on 21st December 2022 in Nairobi. The KER is prepared according to the KIPPRA Act No. 15 of 2006, Section 23(3), which mandates the Institute to prepare an annual report on Kenya's economic performance and prospects for the medium term.

KIPPRA Board Chair Dr Benson Ateng' (left) and Executive Director Dr Rose Ngugi pose for a photo with KIPPRA Board Director Mr Zachary Mwangi at the launchcrops/2021

The event was attended by more than 100 stakeholders from various government, non-government, civil society, and media organizations. Themed "Building Resilience and Sustainable Economic Development in Kenya", it provides evidence-based policy recommendations to mitigate the impacts of shocks and stressors at sectoral and macroeconomic levels for realization sustainable economic development. KIPPRA Board Chair, Dr Benson Ateng', and Executive Director, Dr Rose Ngugi graced the event.

Kenya Economic Report 2023 Stakeholder Workshop

Launch of children's booklet on national values and principles of governance

KIPPRA, in collaboration with UNICEF, launched a children's' booklet on national values and principles of governance on 7th December 2022 at the Kenya Institute for Special Education (KISE). The event was graced by KIPPRA Executive Director, Dr Rose Ngugi, UNICEF Chief of Social Policy Dr Gaby Guerrero, KISE Director Dr Norman Kiogora and the Secretary, National Cohesion and Values Mr Josiah Musili. The children's booklet presents the national values and principles of governance in simple and visual manner, enabling children to understand the values easily.

Launch of PWDs report

KIPPRA launched inclusion of persons with disabilities in social economic development report on 7th December 2022. The report outlines the status of PWDs inclusion and provides policy recommendations in support of the PWDs inclusion in social economic development. The launch was attended by KIPPRA Executive Director, Dr Rose Ngugi, KISE CEO Dr Norman Kiogora and UNICEF Kenya's Dr Gaby Guerrero.

Launch of status of children in Kenya report

Launch of Status of Children in Kenya Report

KIPPRA launched the status of children in Kenya report on 7th December 2022. The report assessed the state of county economies and spending in the context of children, child health and nutrition and status of children education. The launch of the report was attended by KIPPRA Executive Director, Dr Rose Ngugi, KISE CEO Dr Norman Kiogora and UNICEF Kenya's Dr Gaby Guerrero.

CAPACITY BUILDING ACTIVITIES

KIPPRA Young Professionals Graduate

KIPPRA Board Chair Dr Benson Ateng' (Centre) and Executive Director Dr Rose Ngugi (third right) pose for a photo with the graduands

Twenty-eight (28) KIPPRA Young Professionals (cohort 2021-2022) graduated on 21st December 2022 at a colourful ceremony held in Nairobi. The event was attended by the KIPPRA Board, Executive Director, the program alumni, management and staff, and other stakeholders. The YPs undertook rigorous training on the evidence-based policy process and economic analysis tools and got practical experience in the policy making process, among other training areas.

Ag. Deputy Director Capacity Building Dr Nancy Nafula pose for a group photo with the graduands

KIPPRA Mentorship Programme at Pwani University

KIPPRA, in collaboration with Pwani University, hosted the KIPPRA Mentorship Programme for Universities (KMPUs) on 23rd and 24th November 2022. The two-day event attracted students and faculty members from the university and staff and students from neighbouring learning institutions such as Mkwajuni and Kakuyuni Polytechnics.

Participants keenly follow the proceedings of KIPPRA Mentorship Programme for Universities (KMPUs) at Pwani University

KMPUs strives to create awareness and develop capacity of the University Community in understanding the public policy making process. KIPPRA partnered with the National Youth Council, Youth Enterprise Development Fund, National Gender and Equality Commission, Directorate of National Cohesion and Values, State Department for Planning and the National Authority for the Campaign Against Alcohol and Drug Abuse (NACADA), SME Support Centre and expert HR professionals to deliver the programme.

KIPPRA Mentorship Programme at Machakos University Community

KIPPRA joined Machakos University fraternity for KIPPRA Mentorship Programme for Universities (KMPUs) event on 2nd and 3rd November 2022. The event, whose main objective is to create awareness and develop capacity of university community in understanding the public policy process, was attended by KIPPRA Board Chair Dr Benson Ateng', Executive Director Dr Rose Ngugi, Machakos University Acting Deputy Vice-Chancellor Academics Prof James Muola and representatives from National Youth Council, Youth Fund, National Gender and Equality Commission, Directorate of National Cohesion and Values, State Department for Planning and NACADA.

WORKSHOPS

Dissemination workshop on motor vehicle industry value chain in Kenya

KIPPRA held a dissemination workshop on a study on motor vehicle industry value chain in Kenya. The workshop, which was held on 22nd November 2022 in Nairobi, brought together representatives from motor vehicle industry and state and non-state actors. The KIPPRA team was led by the Executive Director Dr Rose Ngugi. The study aimed to analyze motor vehicle industry value chain in Kenya with a focus on input, processing, and market levels. Moreover, the study assessed the role of key actors in the motor vehicle industry value chain in Kenya and constraints related to the industry's value chain. KIPPRA got valuable inputs from stakeholders to fine-tune the report and inform further research agenda.

KIPPRA Executive Director Dr Rose Ngugi (right) poses for a photo with participants at stakeholder workshop on Motor Vehicle Industry Value Chain in Kenya Study.

KIPPRA participates in COP27 and amplifies youth voices in climate change

KIPPRA participated in the Conference of the Parties (COP27) held in Sharm el-Sheikh, Egypt. Policy Analyst Ms Beverly Musili represented the Institute and was accompanied by one youth representative from a youth-led organization in climate change action who was sponsored by KIPPRA with support from Brookings Institution. The Institute has been providing platforms for the Kenyan youth in climate change action to engage in policy discussions on climate change. The Institute participated in the youth side events organized by the Global Centre on Adaptation (GCA) to make young people central to driving the climate adaptation agenda. The events brought together young leaders from all parts of the world, youth organizations, multilateral development banks, non-governmental organizations, and think tanks to identify priority areas for youth in climate action.

ROUNDTABLES

Accelerating economic growth and development for ASALs in Kenya

KIPPRA held a roundtable on 24th November 2022 on accelerating development for Arid and Semi-Arid Lands (ASALs) in Kenya. The objective of the roundtable was to share a policy research concept on accelerating development for ASALs. The roundtable brought together National and County governments, civil society and private sector stakeholders.

Participants pose for a photo during Stakeholder Workshop on Accelerating Economic Growth & Development for ASALs in Kenya

Macroeconomic modelling

KIPPRA held a roundtable to present a summary of three papers being developed at the Institute's macroeconomics department and receive feedback from stakeholders towards improving the models. The papers are KIPPRA-Treasury Macroeconomic Model (KTMM), The Kenya Supply Side Model, and County Revenue Forecasting and Budget Allocation Framework. The forum was held on 26th October 2022 in Nairobi. KIPPRA Executive Director, Dr Rose Ngugi, attended the roundtable, which brought together representatives from State and Non-State actors. The Institute received invaluable input from the stakeholders.

Impact of NG-CDF on education, security, and social welfare

KIPPRA held a stakeholder's workshop on the Impact of the National Government Constituency Development Fund (NG-CDF) study. The study seeks to examine the impact of NG-CDF on education, security, and social welfare. The study's specific objectives include: Assessing the impact of NG-CDF on access to secondary education and assessing the impact of NG-CDF projects on improved security and social welfare. The roundtable, which brought together representatives from NG-CDF, the security sector, State Department for Social Protection, health, and education sectors, was graced by KIPPRA Executive Director, Dr Rose Ngugi.

PARTNERSHIPS AND COURTESY VISITS

PS Economic Planning, Visits KIPPRA

PS Economic Planning Mr James Muhati (left) chats with KIPPRA Executive Director Dr Rose Ngugi (centre) looking on is Economic Planning Secretary Ms Katherine Muoki

The Principal Secretary, State Department for Economic Planning, Mr James Muhati paid a visit to KIPPRA to familiarize with the Institute's mandate and meet the management and staff. The PS was accompanied by the Economic Planning Secretary Ms Katherine Muoki, the Director for Macroeconomic Department Mr Zackary Mwangi and the Director of Administration Mr Joel Makori. They toured the KIPPRA offices and interacted with staff at their workstations before having a meeting with the Executive Director, Dr Rose Ngugi, and the Institute's management team.

PS Economic Planning Mr James Muhati (centre) holds meeting with KIPPRA Management Staff and Senior State Department officials during the courtesy call.

KIPPRA hosts Assistant US Trade Representative for Africa

US Trade Rep for Africa Constance Hamilton (fifth right) poses for a photo with KIPPRA Executive Director Dr Rose Ngugi (centre) and

KIPPRA hosted the Assistant US Trade Representative for Africa Constance Hamilton and Deputy Assistant US Trade Rep Bennett Harman on 8th November 2022. The team was received by Dr Rose Ngugi and discussed US-Kenya Strategic Trade and Investment Partnership (STIP). KIPPRA shared with the team some of the findings from the studies the Institute undertook on FTA and AfCFTA. STIP initiative will pursue enhanced engagement leading to high standard commitments in a wide range of areas with a view to increasing investment.

UNICEF Kenya Chief of Social Policy visits KIPPRA

KIPPRA Executive Director, Dr Rose Ngugi, hosted the UNICEF Kenya Chief of Social Policy Dr Gaby Guerrero on 17th November 2022. Discussions during the courtesy call focused on strengthening partnership to improve use of evidence and real-time data in policy making and capacity support for National and County governments policy research and analysis. The meeting also provided an opportunity to discuss ongoing collaborative projects between UNICEF and KIPPRA and their sustainability; and upcoming projects, including automation of county statistics and production of the next generation of county budget briefs.

KIPPRA Excutive Director Dr Rose Ngugi (second left) and UNICEF Chief of Social Policy Dr Gaby Guerrero pose for a photo with KIPPRA and UNICEF Staff

KIPPRA hosts Deputy Director for IMF African Department

IMF Dep.Director in charge of Africa Dept, Ms Catherine Patillo (right) poses for a photo with KIPPRA Executive Director Dr Rose Ngugi and IMF staff

A team from the International Monetary Fund (IMF) led by Deputy Director Africa Department, Ms Catherine Patillo and Resident Representative Mr Tobias Rasmussen visited KIPPRA on 25th October 2022. The team was received by Executive Director Dr Rose Ngugi and KIPPRA staff from macroeconomics, productive, private sector development, and governance departments. Discussions centred on the launch of regional economic outlook and potential areas of collaboration, including capacity building of KIPPRA staff by IMF.

Indian High Commissioner to Kenya (second left) poses for a photo with KIPPRA Executive Director (second right)

a) KIPPRA Hosts India High Commissioner to Kenya

The High Commissioner of India to Kenya H.E. Namgya Khampa called on KIPPRA Executive Director, Dr Rose Ngugi, on 25th October 2022. The High Commissioner got an opportunity to learn more about KIPPRA's role in policy research space. Discussions centered on KIPPRA's collaboration with think tanks in India on research and capacity building. The High Commissioner also invited KIPPRA to participate in the commemoration of International Year of Millets in 2023. The commemoration of the international day was adopted by UN General Assembly after a proposal was brought forward by the Government of India and endorsed by Members of FAO Governing Bodies.

IPPRA Hosts MAFAP Policy Advisor

KIPPRA Executive Director Dr Rose Ngugi (centre) and Mr Thibault (second right) pose for a photo with KIPPRA and FAO staff

KIPPRA hosted to Mr Thibault Meilland, Policy Adviser for Monitoring and Analysing Food and Agricultural Policies (MAFAP). Mr Meilland was received by KIPPRA Executive Director, Dr Rose Ngugi and Director, Directorate of Integrated Development, Dr Moses Muthinja. The Monitoring and Analysing Food and Agricultural Policies (MAFAP) programme is a leading policy support initiative at Food and Agriculture Organization (FAO) that works with countries in Africa to strategically prioritize, reform and implement policies on food and agriculture. Discussions at the meeting centred on areas of collaboration between KIPPRA and MAFAP in implementing phase 3 of the programme.

KIPPRA CSR ACTIVITIES

Standard Chartered Nairobi Marathon:

The 19th edition of the Standard Chartered Nairobi Marathon was held on 30th October 2022 at Uhuru Gardens in Nairobi. Forty (40) KIPPRA staff participated in 5km, 10km and 21km races and were awarded with medals.

Forest Challenge:

KIPPRA staff participated in the 8th edition of "The Forest Challenge" organized by the East African Wildlife Society. The event which took place at Kereita Forest on the 26th of November 2022 aimed to raise funds to continue restoring key water towers.

UHAI Festival:
KIPPRA participated in and supported this year's UHAI festival, which was held in Mombasa County on 2nd and 3rd December 2022. The festival serves as a platform to promote and nurture talents of Persons Living with Disabilities (PWDs).

Visit to Children Home:
KIPPRA staff visited Mother Theresa Charity Home in Huruma, Nairobi on 16th December 2022 where they donated clothing and other items. The event was part of the Institute's Corporate Social Responsibility initiatives that aim at giving back, especially to those who are less privileged in society.

OTHER INSTITUTE ACTIVITIES

KIPPRA Commemorates World AIDS Day

KIPPRA commemorated World AIDS Day on 1st December 2022 by sensitizing staff on HIV/AIDS and Non-Communicable Diseases (NCDs) prevention and management. The sensitization was undertaken by officers from National Syndemic Diseases Control Council (NSDCC). Staff were also voluntarily screened for NCDs and HIV.

KIPPRA staff undergoes medical tests during World AIDs Day

Induction of new KIPPRA management staff

Eight (8) newly recruited senior management staff were welcomed to the Institute. The new team comprises three directors, four deputy directors and the Corporation Secretary. The staff went through a one-week induction at the Kenya School of Government and an elaborate internal induction process led by the Executive Director, covering KIPPRA's mandate and programmes and the specific departmental activities.

KIPPRA end-of-year staff party

KIPPRA held an end-of-year staff party on Wednesday, 21st December 2022 at the Sarova Stanley Hotel, Nairobi. The guests at the fun-filled event were the KIPPRA Board, management and staff, the Young Professionals and interns. The party culminated in a cake cutting ceremony, an elaborate dinner and entertainment.

UPCOMING EVENTS

Kenya Think Tank Forum

KIPPRA in collaboration with Kenyan Think Tanks will hold the 4th Kenya Think Symposium on 29th April 2023. The theme of the symposium is "Mobilizing African Think Tanks for Effective Climate Negotiations: The Road to COP28".

2nd Youth in Climate Change Action Symposium

KIPPRA will hold its 2nd Symposium on Sustaining Youth Participation in Climate Action: Reflections from COP 27 from 2nd to 3rd February 2023 at the Kenya School of Government in Nairobi.

Training of the Eswatini Economic Policy Analysis and Research Centre (ESEPARC) Staff

KIPPRA will build capacity of the Eswatini Economic Policy Analysis and Research Centre (ESEPARC) Staff on policy making process from 30th January to 2nd February in Mbabane, Kingdom of Eswatini. Three staff from the Institute will conduct the training.

KIPPRA Mentorship Programme for Universities (KMPUs) events

KIPPRA will hold KIPPRA Mentorship Programme for Universities (KMPUs) at Dedan Kimathi University of Science and Technology from 22nd to 23rd February 2023 and Maseno University from 8th to 9th March 2023. The programme seeks to mentor university students and faculty for effective participation in public policy formulation, research, policy analysis, and debate.

KIPPRA-Africa Growth Initiative (AGI) workshop

KIPPRA in collaboration with Africa Growth Initiative (AGI) of the Brookings Institution will on 16th and 17th February 2022 launch Foresight Africa 2023 and Urban Economic Growth study reports. Foresight Africa provides insights and policy proposals to decision makers on key topics that are likely to impact growth and development in Africa in the year ahead. The Urban Economic Growth study analyses Nairobi's key challenges and possible solutions for growth and employment based on the AGI framework.

UNU-WIDER -KIPPRA policy seminar

KIPPRA in collaboration with UNU-WIDER has organized a webinar on the potential of domestic savings in the global south on 7th February 2023. The one-hour session will share key results from UNU-WIDER's project on the domestic savings shortfall in developing countries and what can be done about it. UNU-WIDER undertook the project in collaboration with KIPPRA.

KIPPRA Annual Regional Conference

KIPPRA is planning its 6th Annual Regional Conference scheduled to take place from 21st to 23rd June 2023 at Pwani University in Kilifi County. The aim of the conference is to explore how the country can accelerate economic growth and development for Arid and Semi-Arid Lands (ASALs) in Kenya. The conference will provide a platform to discuss progress made, opportunities to exploit and forging a common front to accelerate economic growth of ASALs.

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.

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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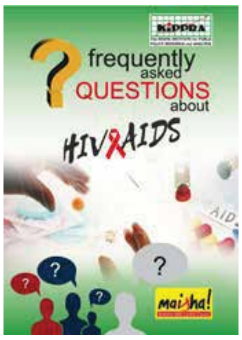

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