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BUILDING KENYA'S RESILIENCE IN NAVIGATING GLOBAL TURBULENCE AND TRANSITIONS

POLICY *Monitor*

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

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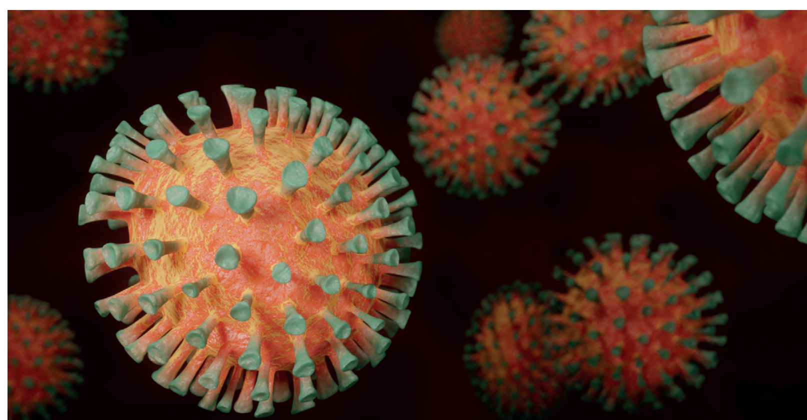

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Editorial

Happy New Year 2020! Welcome to the KIPPRA Policy Monitor edition covering the period January-March 2020. The theme of this edition is the contemporary subject on *"Building Kenya's Resilience in Navigating Global Turbulence and Transitions."*

The topics of focus in this edition include: Recent Economic Developments in Kenya; An Overview of the 2020 Medium Term Budget; Implications of a Free Trade Area between Kenya and the United States; The Global Threat of Pandemics such as the Coronavirus and Kenyan Context; and Locusts invasion and Implications for Kenya.

The economy recorded a stable growth of an average of 5.4 per cent in the first three quarters of 2019. The overall inflation remained within the Government target band averaging 6.06 per cent in January-March 2020 and was higher than the 4.35 per cent in a similar quarter in 2019. By February 2020, the Government had collected 61 per cent of the targeted revenue and spent 51 per cent of the total targeted expenditures. The current account deficit in the 12 months to February 2020 increased slightly to 4.8 per cent of GDP from 4.7 per cent of GDP in the 12 months to February 2019.

Kenya has experienced two exogenous shocks, including the desert locust invasion that was first recorded in December 2019. The locusts affected at least 16 counties, with approximately 70,000 hectares of land invaded. Secondly, the country is experiencing the effects of the novel COVID-19 pandemic, with the first case in Kenya reported on Friday 13th March 2020. The Government has taken various measures to contain the spread of the virus in the country.

Further, this edition highlights key legislative developments that took place during the third quarter of the financial year, including the Law of Succession (Amendment) Bill, 2020, which seeks to align the Law of Succession Act of 1981 to the Constitution 2010; Matrimonial Property Act, 2013; and the Marriage Act, 2014. In addition, key policy news at the national, regional and global level are highlighted, such as the gazettement of new electricity tariffs; amendment of the Kenya-USA Air Travel Agreement; and the fall of global oil prices.

The edition captures KIPPRA's capacity building activities including the KIPPRA Mentorship Programme for Universities (KMPUs), the Public Policy Making Process (PPMP) training, and the Macroeconomic Modelling and Forecasting trainings undertaken for public and private sector participants from the National and County Governments.

This edition further highlights KIPPRA's Corporate Social Responsibility (CSR) activities, including participation in the First Lady's Beyond Zero Marathon, and a visit to St Francis School for the Visually Impaired in West Pokot County and Kipsaina Primary School in Elgeyo Marakwet County to support the registration of learners with disability. We hope you will have an insightful read.

Recent Economic Developments

By Peris Wachira, Terry Chacha, Carolyne Mbatia and Josphat Kipsaat

Image by Nattanan Kanchanaprat from Pixabay

Kenya's economy recorded a stable growth averaging 5.4 per cent in the first three-quarters of 2019. The economic growth was mainly attributed to increased growth in construction, finance and insurance; and mining and quarrying sectors. Although growth in information and communication, accommodation and restaurant, transport and storage, and electricity and water supply sectors slowed, these sectors recorded above-average growth rates in the quarter. Agriculture and manufacturing sectors saw a significant decline compared to a similar quarter in 2018.

Projected growth in the medium term faces significant downside risks, including the outbreak of the COVID-19 pandemic, desert locust invasion, and slowdown in global economic activity. Key among the upside include the declining oil prices given that Kenya is a key importer, and the anticipated favourable weather conditions during the long rains. The COVID-19 pandemic will most likely adversely affect both the supply and demand side of the economy through distraction of the global supply chain, reduced tourism earnings, reduced remittance inflows, reduced demand for Kenya's exports, and reduced productivity in various sectors especially with the working from home measures. Moreover, reduced fiscal revenue coupled with increased public expenditure to fight the pandemic are likely to slow down the pace of fiscal consolidation. The effects of the pandemic are evolving each day, and the longer it takes to contain the pandemic the larger the expected impact on economic, social and living conditions. The desert locust invasion, which started in November 2019, is likely to reduce crop and livestock production, thus affecting the national food security status. That said, adequate long rains are predicted and this is expected to sustain agricultural production.

Inflation and monetary developments

A new basket of commodities that make up the Consumer Price Index (CPI) and determine the rate of inflation was adopted in March 2020. According to the Kenya National Bureau of Statistics (KNBS),

Table 1: Sectoral growth rates in the first three quarters, 2016-2019

	2016	2017	2018	2019
Agriculture	4.4	2.5	7.0	4.2
Mining and quarrying	7.9	4.9	2.9	4.1
Manufacturing	3.4	0.6	4.4	3.5
Electricity and water supply	9.5	7.4	7.6	5.5
Construction	8.8	7.5	6.3	6.5
Wholesale and retail trade	2.9	5.0	6.2	5.4
Accommodation and restaurant	11.9	16.2	14.7	9.9
Transport and storage	6.1	6.3	8.6	7.0
Information and communication	9.2	11.9	11.1	10.0
Financial and insurance	7.2	3.1	5.0	6.1
Public administration	6.2	5.0	6.1	6.1
Professional, administration and support services	4.4	3.5	6.8	5.4
Real estate	9.0	6.3	4.6	4.8
Education	5.4	4.8	5.7	5.7
Health	5.2	4.3	4.7	4.7
Other services	4.3	5.1	4.7	2.6

Source of Data: KNBS Quarterly Gross Domestic Product (consolidated), 2019

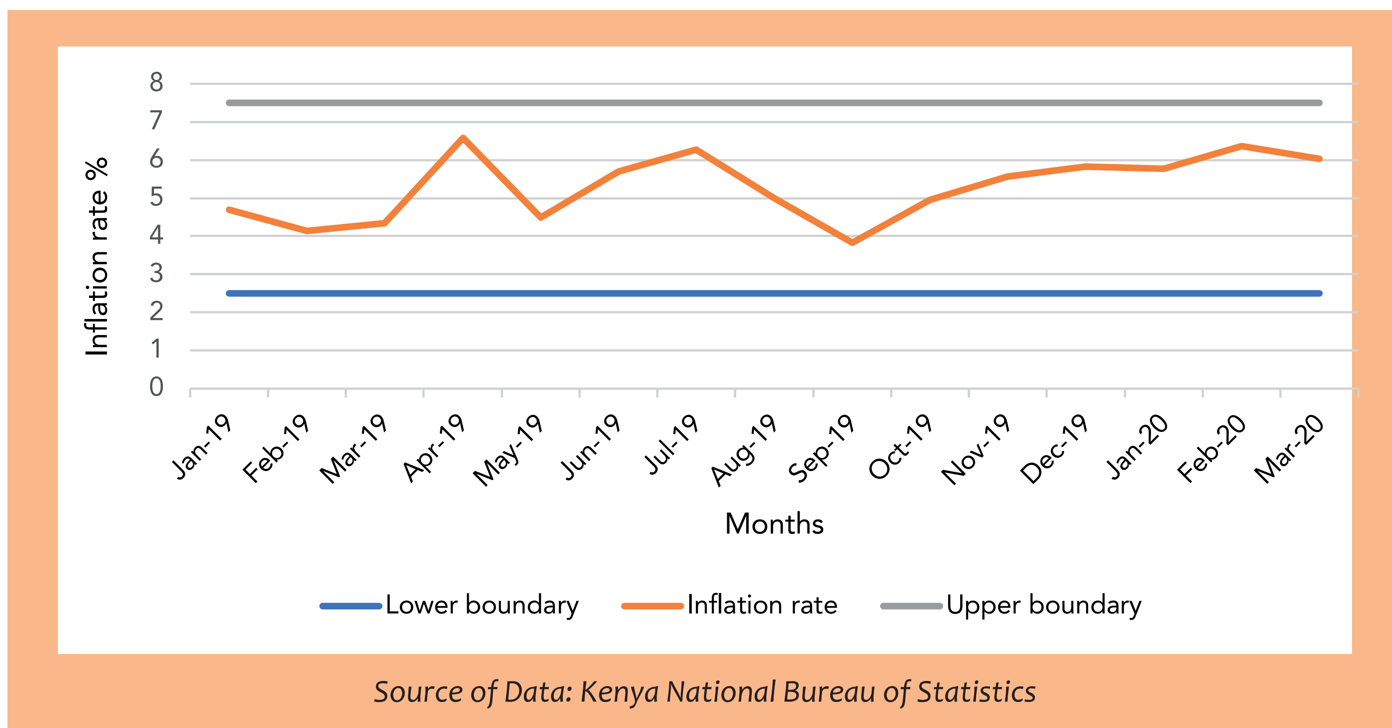
the rebasing of the CPI was informed by changes in household expenditure patterns over time, and the need to align it with internationally accepted best practices, COMESA and EAC Harmonized Consumer Price Indices (HCPI). The new indices are based on the February 2019 period, compared to the February 2009 period of the old index. This implies that the new basket reflects the recent consumption trends/changes of the Kenyan citizen. As such, with the new basket of commodities, inflation rates will be more accurate and comparable with other countries given that it was aligned with international best practices.

Due to changes in consumer taste and preferences, lifestyle and consumer behaviour, the new CPI has dropped some of the items whose use has reduced in the current era, such as Kerosene stove, video cassette hire, radio player, among others. In addition, TV subscriptions, university boarding fees, garbage collection fees, money transfer fee, among others have been added to the new CPI. Mobile phone airtime is the leading expenditure item weighing 5.496 per cent in the new CPI, an increase from 3.086 per cent. Other top ten items in the new CPI include: city bus fare weighing 3.161 per cent - a decrease from 3.868 per cent in the old CPI; hotel and restaurant food weighing 2.849 per cent - an increase from 2.037 per cent; beef with bones weighing 2.805 per cent - a decrease from 3.559 per cent; fresh packeted cow milk weighing 1.876 per cent - a decrease from 1.989 per cent in the old CPI; actual house rent - single room at 2.886 per cent; actual month rent-2 bedroom at 2.312 per cent; beer at 1.846 per cent; and white bread at 1.667 per cent.

The average overall inflation from January to March 2020 was 6.06 per cent compared to 4.35 per cent in the same period in 2019. The overall inflation was 5.78 per cent in January, increasing to 6.37 per cent in February and slightly declining to 6.04 per cent in March 2020 (Figure 1). Core inflation, which excludes food and energy, averaged 2.17 per cent in January-March 2020 compared to 3.23 per cent in 2019. The low core inflation is consistent with an economy where demand pressures are benign, and where the output gap remains negative. This provides room for accommodative monetary policy if needed to support growth. The anticipated adequate long rains and declining global oil prices will serve to reduce inflationary pressure.

The year-on-year food inflation averaged 10.67 per cent in the quarter, which was an increase of 1.85 per cent from the same quarter in 2019. This

Figure 1: Year on year inflation rates (January 2019 - March 2020)



Source of Data: Kenya National Bureau of Statistics

reflects an increase from 9.60 per cent in January to 10.58 per cent in February and a further increase to 11.85 per cent in March 2020. The significant increase of food inflation between January 2020 and March 2020 could be attributed to rise in prices of specific commodities frequently consumed by households. Specifically, spinach increased by 21.9 per cent from an average monthly price of Ksh 45.34 in January 2020 to Ksh 55.28 per kilogramme in March 2020. This was followed by tomatoes, which increased by 16.8 per cent over the same period with the average price increasing from Ksh 103.24 in January 2020 to Ksh 120.60 in March 2020. The other commodities that increased over the same period include loose maize flour and potatoes each by 3.6 per cent and 3.7 per cent, respectively.

The outlook for inflation in the remainder of 2020 is predicated upon two important factors: a second-round invasion of desert locusts, and the impact of COVID-19 on economic activity. The first round of locust invasion was limited to the northern parts of the country with limited impact in Kenya's grain basket. With COVID-19, global supply chains are being disrupted, reducing the availability of intermediate, capital, and final goods as a result of shutdowns in the source countries, and transport disruptions. A large share of final goods in Kenya are shipped from China, and shortages of these

"With COVID-19, global supply chains are being disrupted, reducing the availability of intermediate, capital, and final goods as a result of shutdowns in the source countries, and transport disruptions."

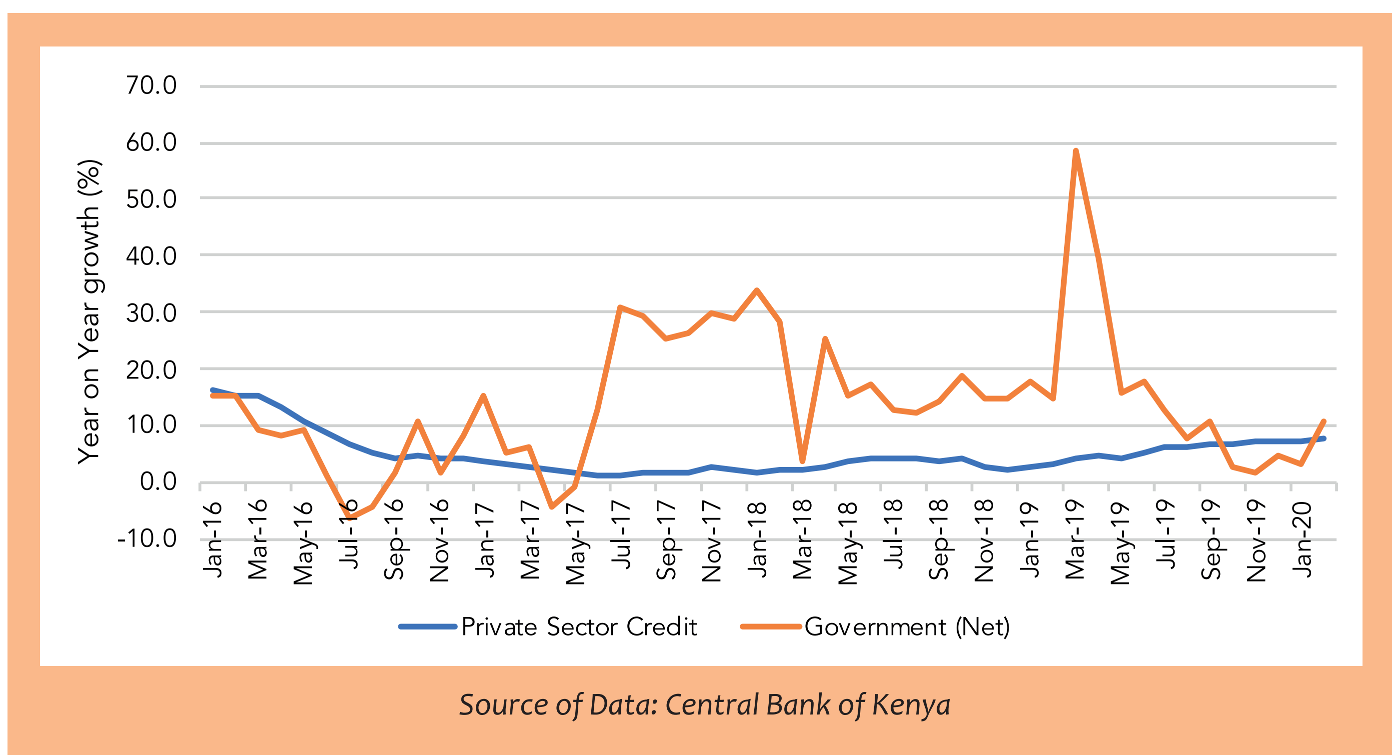
goods could raise consumer prices. This implies that there could be a shortage of goods on the shelves in supermarkets, causing an increase in price and in turn leading to cost-push inflation as supply of inputs and intermediate goods becomes costly. Additionally, measures that have been put in place in the transport sector to prevent the spread of the virus could result in a hike in transport costs.

In response to the outbreak of COVID-19, Kenya has eased the monetary policy to support economic activity. In March 2020, the Monetary Policy Committee reduced the Central Bank Rate (CBR) by 100 basis points to 7.25 per cent. In addition, the cash reserve ratio was reduced from 5.25 per cent to 4.25 per cent to provide extra liquidity of about Ksh 35 billion to commercial banks. This was a continued easing that started in November 2019 when the CBR was reduced by 50 basis points to 8.5 per cent (from 9%), followed by a further cut by 25 basis points to 8.25 per cent in January 2020. These measures are expected to prompt commercial banks not to increase interest rate to borrowers, while also supporting borrowers that could be distressed from the COVID-19 shock. For example, the interbank rate has decreased by 156 basis points from an average of 5.91 per cent in December 2019 to 4.35 per cent in March 2020 (Figure 3).

The annual private sector credit growth increased modestly to 7.7 per cent in February 2020 from 7.3 per cent in November 2019 (Figure 2). Credit growth was strong in the manufacturing, trade, transport and communication, and consumer durables. Nonetheless, credit to the private sector is still weak and below its historical average before interest rate capping. Credit to government (net), which is the balance between government borrowing and its deposits at the Central Bank of Kenya increased in the first three months of 2020, after decreasing in the last quarter of 2019 (Figure 2).

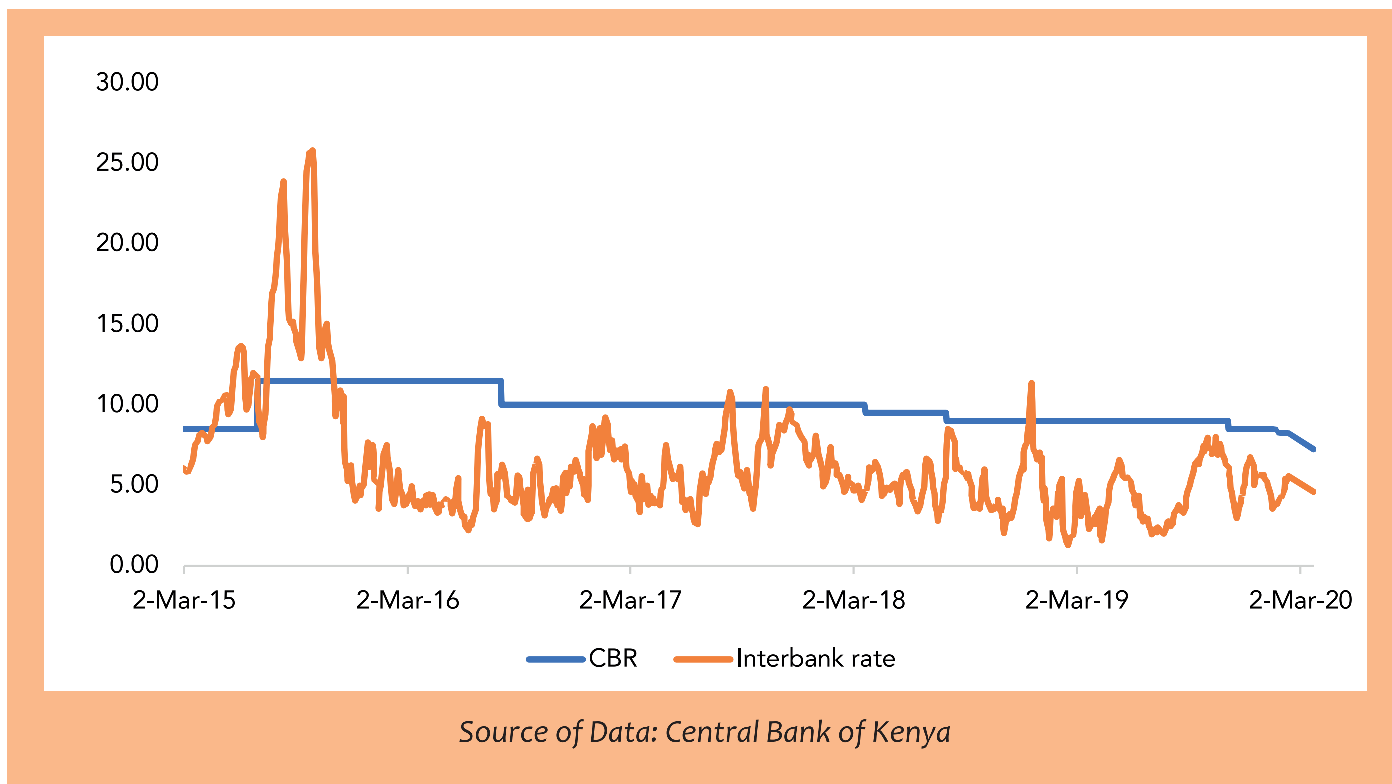
The yields on government securities have been stable at about 7.2 per cent for the 91 days T-bill, 8.2 per cent for the 182, and 9.8 per cent for the 1-year T-bills (Figure 4). The lending and deposit rates were also broadly stable at around 13 per cent, reflecting rates anchored by interest rate capping regime.

Figure 2: Trends in private sector credit



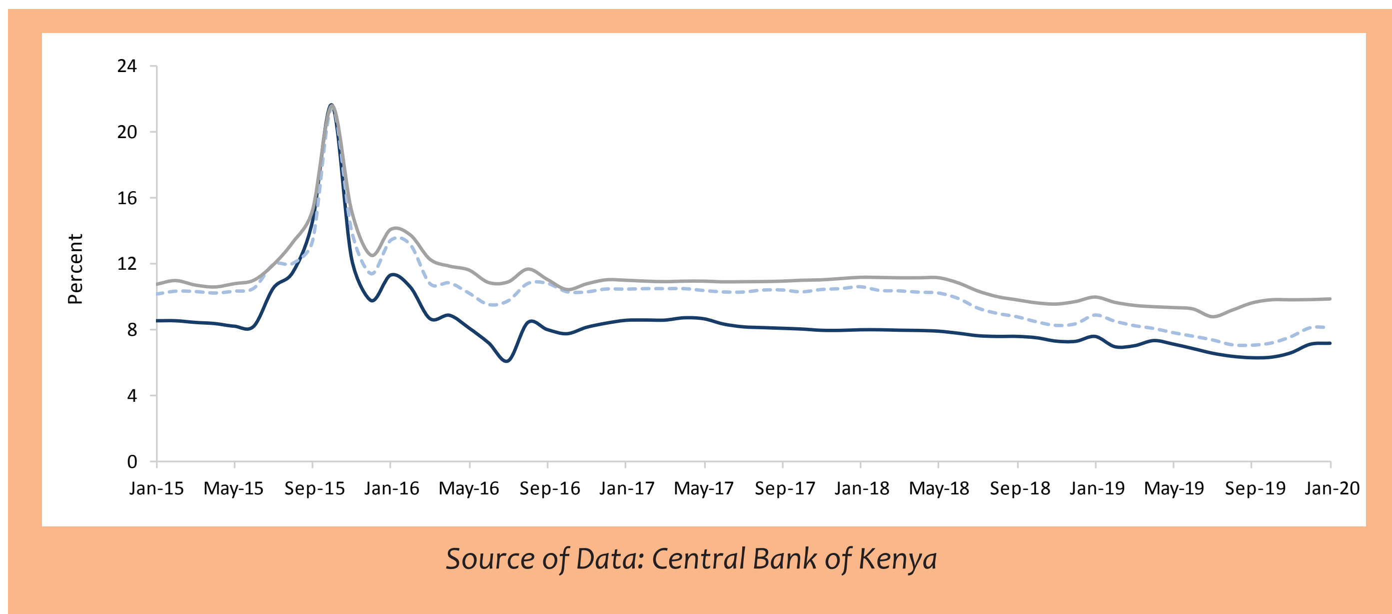
Source of Data: Central Bank of Kenya

Figure 3: Trends in the Central Bank Rate



Source of Data: Central Bank of Kenya

Figure 4: Yields on government securities



Source of Data: Central Bank of Kenya

Fiscal developments

The fiscal developments in the January-March quarter may not show the impact of various measures instituted with the outbreak of the COVID-19, as most of them come to effect in April. By February 2020, the Government had managed to mobilize about 61 per cent of the revised annual revenue estimates (Table 2). Tax income was slightly behind schedule compared to net domestic borrowing, which was slightly ahead of schedule. With the tax income expected to contribute about 64 per cent of the total revenue, any disruptions in economic activity would have significant impact on the revenue generated in the remaining period of the fiscal year.

Table 2: Revenues in first half of 2019/20 and as at February 2020 (in Ksh billions)

	Revised annual estimates	Receipts during first half 2019/20	February 2020 (cumulative)	Level of performance as at February 2020
Income Tax	1,704.95	779.32	995.38	58.4
Non-tax income	138.86	78.54	89.69	64.6
Net domestic borrowing	514.03	258.21	378.40	73.6
Others	294.09	24.76	52.95	18.0
Total	**2,651.93**	**1,245.44**	**1,615.28**	**60.9**

Source of Data: Kenya Gazette Notice

With the outbreak of COVID-19, various emergency tax measures were proposed by the President to ease the tax burden on businesses, employees and other taxpayers at large. The specific tax measures are as follows:

- 100 % tax relief for persons earning gross monthly income of up to Ksh 24,000;
- Reduction of income tax rate (Pay-As-You-Earn) from 30 per cent to 25 per cent;
- Reduction of resident income tax (Corporation Tax) from 30 per cent to 25 per cent;
- Reduction of turnover tax rate from the current 3 per cent to 1 per cent for all Micro, Small and Medium Enterprises (MSMEs);
- The National Treasury shall cause immediate reduction of VAT from 16 per cent to 14 per cent, effective 1st April 2020; and
- A directive to the Kenya Revenue Authority (KRA) to hasten the process of refunding verified Value Added Tax (VAT) claims amounting to Ksh 10 billion in 3 weeks or allow offsetting of Withholding VAT to improve cash flow for businesses.

It is important to note that VAT was reduced from 16 per cent to 14 per cent, effective 1st April 2020 as per Gazette Notice dated 26th March 2020 but other taxes are awaiting a Miscellaneous Bill from the National Treasury to be tabled and passed by Parliament.

During the quarter, the Government received US$ 50 million (about Ksh 5 billion) from the World Bank to support in financing the demands coming with the Coronavirus outbreak. The funds are expected to provide emergency funding for medical diagnostic services, surveillance and response, capacity building, quarantine, isolation and treatment centres, medical waste disposal, risk communication and community engagement, and for strengthening the country's capacity to provide safe blood services. The Government further received Ksh 100 million donation from Co-operative Bank, and Devki Steel Mills promised to donate Ksh 100 million worth of oxygen. In the period, the Government also received Ksh 7 billion from the Central Bank of Kenya as realized from the demonetization process. The Government also established the COVID-19 Emergency Response Fund to mobilize resources from well-wishers.

Besides the private sector donations, some Government officials have taken a voluntary reduction in the salaries as follows: The President and Deputy President – 80 per cent; Cabinet Secretaries – 30 per cent; Chief Administrative Secretaries – 30 per cent; and Principal Secretaries – 20 per cent. Other arms of Government and tiers of Government were also encouraged to join the national endeavour by making similar voluntary reductions. This is aimed at freeing-up money to combat the pandemic. Members of Parliament and County Assemblies are expected to follow suit and take a reduced salary in the next three months from April 2020.

On the expenditure side, total expenditure by February 2020 was slow. Only the Consolidated Funds Services had by February 2020 reached 67 per cent performance; the other components were far behind the expected performance level (Table 3). Development spending lagged far behind,

which means that there are various projects aimed at expanding the capacity for economic activity that are not being implemented. The measures implemented in response to the COVID-19 are

Table 3: Expenditures in the first half of 2019/20 and as at February 2020 (Ksh billions)

	Revised gross estimates	Receipts during first half 2019/20	February 2020 (cumulative)	Level of performance by February
Recurrent-(MDAs)	1,223.7	479.6	666.78	54.4
Consolidated Funds Services	805.5	461.9	542.85	67.4
Development	762.9	112.8	220.43	28.9
County governments	378.5	117.3	182.36	48.2
Total	**3,170.9**	**1,171.6**	**1,612.43**	**50.9**

Source of Data: Kenya Gazette Notice

expected to see a rise in expenditure performance.

For example, on 25th March 2020, the Government announced various economic measures, which will see increased recurrent spending and a possible drastic decline in development spending. Among these measures include:

- Appropriation of an additional Ksh 10 billion to the elderly, orphans and other vulnerable members of the society through cash transfers by the Ministry of Labour and Social Protection to cushion these groups from the adverse economic effects of the COVID-19 pandemic.
- All Ministries and Departments directed to pay Ksh 13 billion of the verified pending bills within three weeks from 25th March 2020 to improve liquidity in the economy and ensure businesses remain afloat by enhancing their cash flows. The private sector was also encouraged to clear all outstanding payments among themselves within three weeks from 25th March 2020.
- In efforts to have enough health workers to support in the management of the spread of COVID-19, Ksh 1 billion from the Universal Health Coverage kitty was to be appropriated strictly towards recruitment of additional health workers whereby the Ministry of Health, the County Governments and the Public Service Commission were to expedite the recruitment process.
- Other measures included: availing the much needed and affordable credit to MSMEs across the country and lowering of the Central Bank Rate (CBR) to 7.25 per cent from 8.25 per cent to prompt commercial banks to lower the interest rates to their borrowers.

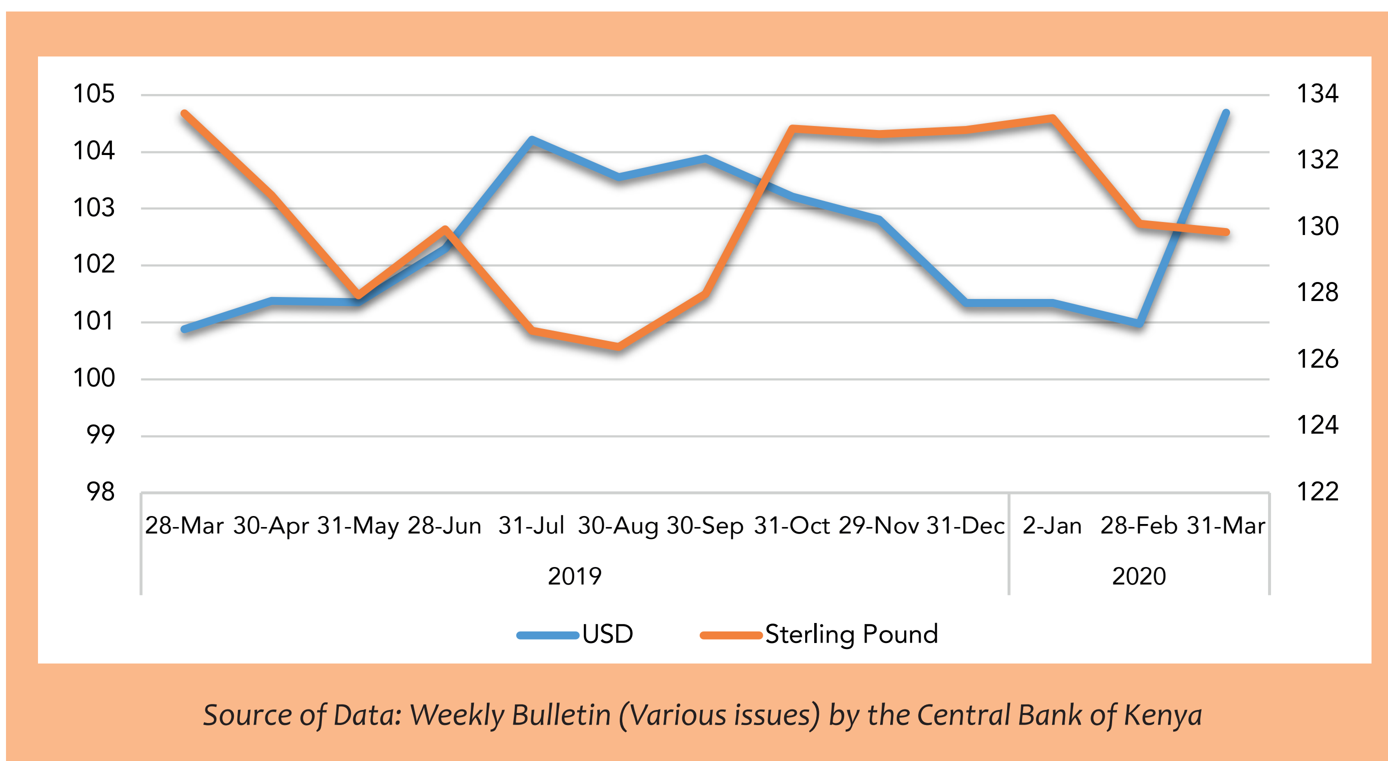
Due to the prevailing conditions surrounding the COVID-19 pandemic, we foresee increased recurrent expenditure coupled with reduced revenue collection. For example, there will be increased expenditure in the health sector as a result of measures put in place to control the spread of the COVID-19.

External sector developments

The Kenyan shilling remained stable against major foreign currencies. However, with the outbreak of the COVID-19, the shilling has depreciated against the US Dollar with the decline in foreign earnings. As at end of March 2020, the Kenya shilling exchanged at Ksh 104.69 per dollar, on average, compared to Ksh 101.34 at the beginning of January 2020 while the exchange rate to the Sterling Pound was Ksh 129.87 compared to Ksh 133.31 at the beginning of January 2020 (Figure 5). The depreciation against the dollar is attributed to economic uncertainties brought about by the COVID-19 pandemic, which has seen the waning of global demand for Kenyan exports and strengthening of the US dollar against other currencies.

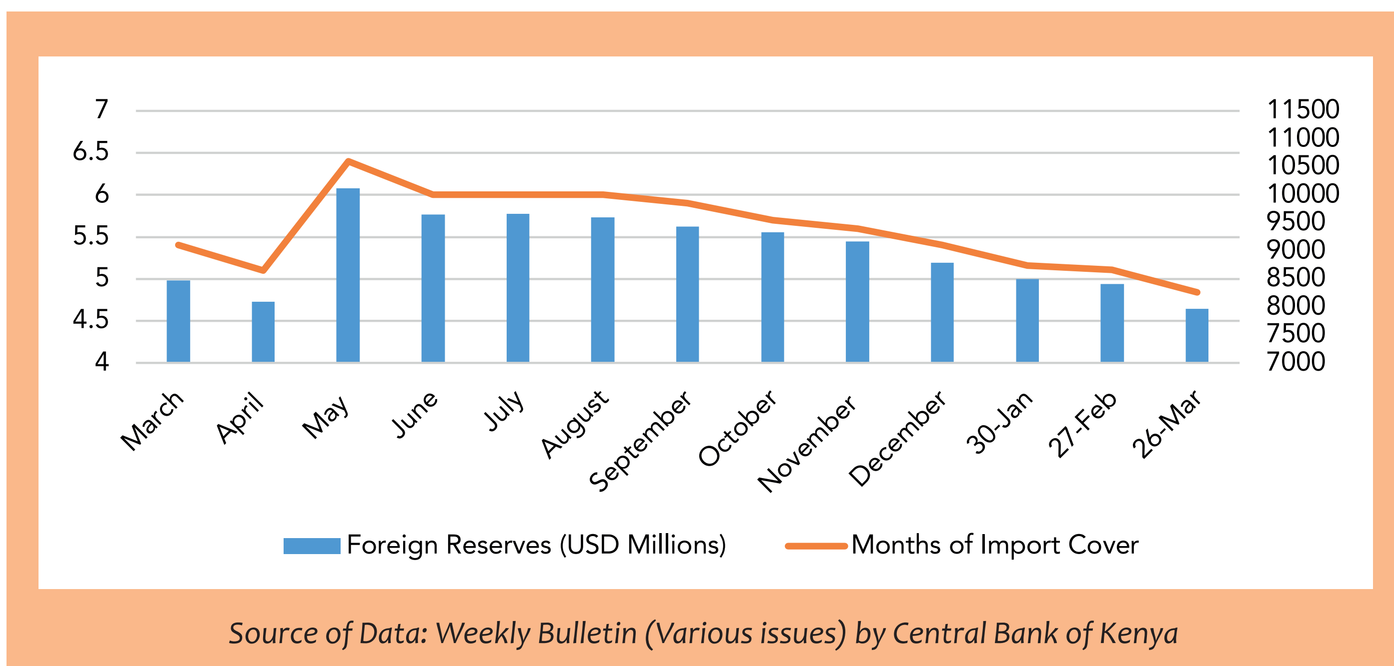
The Central Bank's holding of usable foreign reserves as at 26th March 2020 were US$ 7,965 million (4.84 months of import cover), which was a decrease from 30th January 2020 when it averaged US$ 8,500 (5.16 months of import

Figure 5: Mean exchange rate trend, March 2019-March 2020



Source of Data: Weekly Bulletin (Various issues) by the Central Bank of Kenya

Figure 6: Official foreign reserves and months of import cover (Mar 2019-Mar 2020)



Source of Data: Weekly Bulletin (Various issues) by Central Bank of Kenya

cover). The current available usable foreign reserves satisfy the statutory requirement of at least 4 months of import cover and the East Africa region's convergence criteria of 4.5 months import cover. As shown in Figure 6, there was a spike in foreign reserves in May 2019 to US$ 10,062 million (6.4 months of import cover), attributed to Government's successful issuance of a US$ 2.1 billion Eurobond in May 2019. We expect the reserves to decline further due to declining demand of export goods such as cut flowers in Europe and the Middle East. The closure of borders to contain the spread of the Coronavirus has also led to a decline in air and shipping volumes, the primary avenue to exporting the goods.

Foreign remittances increased by 3.6 per cent from US$ 250.3 million in December 2019 to US$ 259.4 million in January 2020. The increase is attributed to Kenyans abroad remitting money to their families and friends to settle bills at the start of the year. North America accounted for the highest share of remittances in January 2020 at 48 per cent. Foreign remittances to Kenya are expected to decline due to the global Coronavirus pandemic, which has resulted to a decline in economic activity. The remittances declined to US$ 218.9 million in February 2020, which could be the effects of Coronavirus, with lockdowns being effected in some parts of Europe and North America.

The current account deficit in the 12 months to February 2020 increased slightly to 4.8 per cent of GDP from 4.7 per cent of GDP in the 12 months to February 2019. Since the onset of the Coronavirus pandemic, countries across the globe have effected travel restrictions, which have adversely affected inflows to the tourism sector and led to a decline in the demand for Kenyan primary exports, i.e. tea, and cut flowers. However, with falling oil prices due to reduced demand and production across the globe, we expect a decline in the import bill. However, the reduction might not be significant enough to offset the decline in foreign inflows, and thus we expect a further decline in the current account balance.

Image by Steve Buissinne from Pixabay

An Overview of the 2020 Medium Term Budget

By Daniel Omanyo

On 13th February 2020, Hon. Amb. Ukur Yatani Kanacho, the Cabinet Secretary, National Treasury and Planning, submitted the 2020 Budget Policy Statement (BPS) for deliberation and consideration by the National Assembly. This is in line with the Constitution of Kenya, together with the Public Finance Management (PFM) Act 2012 Section 25(2) and Standing Order 232(1). The PFM Act Section 25(7) provides that "Parliament shall, not later than fourteen days after the Budget Policy Statement is submitted to Parliament, table and discuss a report containing its recommendations and pass a resolution to adopt it with or without amendments." In accordance with the PFM Act, the BPS outlines the current state of the economy, provides a macro-fiscal outlook of the economy over the medium-term, and specifies the Government's strategic priorities and policy goals together with the Government's spending plans as a basis for the 2020/21 budget.

The theme of the 2020 BPS is *"Harnessing the "Big Four" for Job Creation and Economic Prosperity"*. This is the third BPS since the pronouncement of the "Big Four" agenda by His Excellency the President in December 2017 and continues to emphasize Government efforts of strengthening the manufacturing sector and promotion of the agricultural sector, which employs majority of Kenyans, especially those living in rural areas. Accordingly, the policy measures outlined in the BPS 2020 prioritize the "Big Four" initiatives of the Government as anchored in the Third Medium-Term Plan (MTP III) of the Kenya Vision 2030.

The BPS 2020 emphasizes broad-based sustainable economic growth and employment creation. This will be harnessed through scaling up investments and reforms in the manufacturing sector while supporting the Micro, Small and Medium Enterprises (MSMEs); increasing efficiency and productivity in the agricultural

sector; expanding irrigation schemes, supporting large scale production of staples; implementing programmes that support smallholder farmers, pastoralists, fishermen, and promoting the use of appropriate technology; ensuring that every Kenyan has access to quality primary healthcare by investing resources to prepare full rollout of Universal Health Coverage (UHC), and supporting construction of low cost housing units in the country through partnerships with County Governments, development partners and the private sector. The BPS 2020 has focused on continued efforts to build a foundation for industrial economy to create more employment opportunities to stimulate economic growth and sustainable social welfare, and ultimately to eradicate poverty.

The BPS 2020 comes at a time when the global economy is at a weaker position with the outbreak of the COVID-19 global pandemic, and desert locust menace in the Persian Gulf and Horn of Africa. Assuming that the COVID-19 pandemic fades in the second half of 2020, the International Monetary Fund (IMF) projects that the global economy will contract by -3.0 per cent while the Sub-Saharan Africa economy will contract by -1.6 per cent. Kenya's growth in 2020 is projected at 1.0 per cent. This is unlike the past five years between 2015 and 2019 when average world economic growth was 3.6 per cent, Sub-Saharan Africa 2.8 per cent while Kenya's average growth was 5.7 per cent over the period.

The macroeconomic framework on which the BPS is anchored provides that the economy expanded by an estimated 5.6 per cent in 2019 and the Government targets real GDP growth of 6.1 per cent in 2020 and 7.0 per cent in the medium-term. The Government also commits to contain inflation to a single digit estimated at 5 per cent over the medium-term. On savings and investments, the Government in 2020 targets to achieve investments of about 21.4 per cent of GDP and Gross National Savings of 16.6 per cent of GDP, increasing to 22.6 per cent and 21.2 per cent, respectively, over the medium-term. Going by the fiscal stimulus that the Government has pronounced as an effort to combat the spread of the COVID-19 in the country, and the slowed economic growth across the globe, there is need for revision of the macroeconomic framework anchoring the Kenya 2020 budget.

The country has been grappling with the challenge of attaining a fiscal deficit of 3.0 per cent of GDP as per the East African Community monetary union protocol ceiling. However, years of fiscal consolidation using measures both on the expenditure side and revenue side have not yielded the desired outcomes. Fiscal deficit has proved to be a moving target and, over the years, the country has fallen short of the target (Table 1).

Table 1: Fiscal projections across the years (% of GDP)

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
BPS 2016	8.6	8.0	6.8	5.4	4.1					
BPS 2017	8.4	7.5	6.9	6.4	5.0	4.0				
BPS 2018		7.4	9.1	7.2	6.0	4.3	3.3	3.0		
BPS 2019			8.8	6.8	6.3	5.1	3.9	3.3	3.1	
BPS 2020				**7.4**	**7.7**	**6.3**	**4.9**	**3.9**	**3.1**	**3.0**

Source of Data: Various Budget Policy Statements by the National Treasury and Planning. NB: Fiscal deficit in this case represents fiscal balance (including grants) on cash basis

Table 1 shows the fiscal consolidation path as set out in various BPSs. Ideally, BPS for a given year projects the Government's fiscal deficit for three years. For instance, the BPS for 2016 gave projections for the fiscal consolidation path covering 2016/17, 2017/18 and 2018/19. Specifically, in the BPS 2016, the Government targeted to achieve a fiscal deficit of 4.1 per cent of GDP in 2018/19. However, across the subsequent BPSs, the target for 2018/19 shifted to 5.0 per cent (BPS 2017) and further to 6.0 per cent (BPS 2018) culminating to preliminary actual deficit of 7.7 per cent (as reported in BPS 2020). This indicates that as we move towards the outer years of the BPS projections, the targets keep moving, suggesting either weak adherence/ commitment to the set-out targets or setting of over-ambitious targets.

Historically, Kenya has been able to meet its fiscal consolidation plan. For instance, between 2005 and 2009, Kenya performed well in its fiscal consolidation strategy as shown in Table 2. Evidently, despite the economic downturns such as the 2007/08 post-election violence, the global economic and financial crisis of 2008 and later 2011, and the prolonged drought that affected the Horn of Africa in 2011, the country achieved the set targets mainly due to prudent macro-fiscal policies, Government commitment to development agenda, and legal frameworks that governed its fiscal operations.

Notwithstanding, the fiscal framework in the BPS 2020 outlines the fiscal consolidation path to be adhered to in 2020/21 through to 2023/24. Just like the predecessors to the BPS 2020, a clear path is outlined which, if well executed, will see Kenya's fiscal deficit gradually decline from the estimated 6.3 per cent in 2019/20 to 4.9 per cent in 2020/21 and eventually to 3.0 per cent over the medium term. This remains to be seen especially with the fiscal pressures from the outbreak of the COVID-19 pandemic.

Table 2: Actual vs target fiscal deficit in Kenya

	Fiscal Deficit (Commitment basis exclusive of grants)		Fiscal Deficit (Cash basis Inclusive of grants)	
	Target	Actual	Target	Actual
2005/06	- 5.7	- 3.3	- 3.2	- 2.4
2006/07	- 5.8	- 1.8	- 3.8	- 2.2
2007/08	- 8.1	- 5.2	- 6.2	- 3.5
2008/09	- 6.7	- 5.2	- 5.3	- 3.7
2009/10	- 5.4	- 5.6	- 3.8	- 4.4
2010/11	- 7.7	- 5.4	- 6.5	- 4.8
2011/12	- 6.6	- 6.2	- 5.3	- 5.5
2012/13	- 7.0	- 5.9	- 5.0	- 5.4
2013/14	- 9.4	- 6.4	- 8.9	- 5.9
2014/15	- 7.9	- 9.2	- 6.3	- 8.7
2015/16	- 7.2	- 8.2	- 5.4	- 7.4
2016/17	- 7.4	- 9.3	- 6.9	- 9.1
2017/18	- 7.9	- 7.3	- 7.2	- 7.4
2018/19	- 5.7	- 7.9	- 5.0	- 7.7

Source of Data: Various Budget Policy Statements (BPS) and Budget Review and Outlook Paper (BROP) by the National Treasury and Planning

Revenue side measures

The Government has hardly met its revenue targets over time. A review of data for the period 2005/06 to 2018/19 indicates the magnitude of revenue shortfalls (i.e. actual revenue minus target revenues). It is evident that despite the growing Government budget (Figure 2a), revenue shortfalls depict a general upward trend. Further, analysis of the growth in revenue targets vis a vis actual revenue fails to allow conclusive argument that revenue targets have been ambitious, calling to question the credibility of revenue enhancement measures or revenue targets.

Figure 1(a): Trends in revenue shortfalls (Ksh billions)

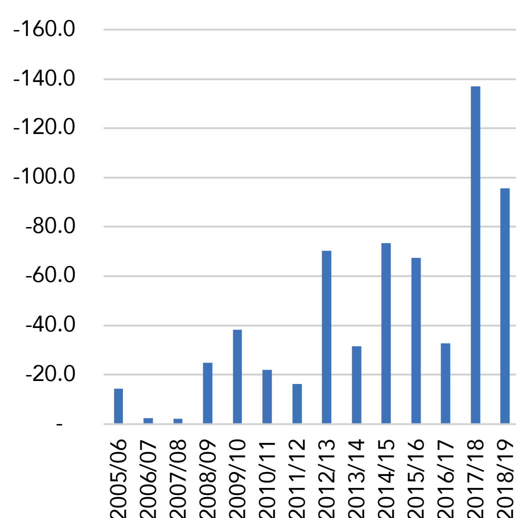
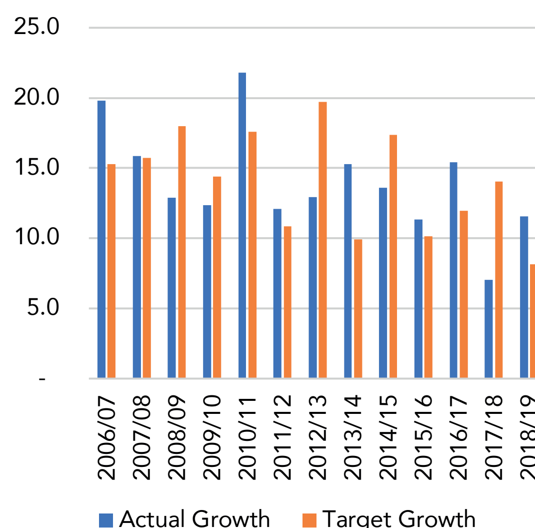


Figure 1(b): Growth rates for actual and target revenue (%)



Source of Data: Budget Review Outlook Paper (Various Issues) by National Treasury and Planning

It is clear from Figure 1 that during the period 2005/06 and 2007/08, the country experienced one of the lowest deviations in revenue against the set targets. This period coincides with the time when the country enjoyed accelerated economic growth culminating to 7.0 per cent in 2007 (implementation of the Economic Recovery Strategy - ERS). Beyond this period, revenue shortfalls are seen to have a general increase, mostly pronounced in the period 2012/13 to 2018/19. This was the period of implementation of the devolved system of Government following the promulgation of the Constitution of Kenya 2010. Nonetheless, this period also witnessed increased revenue enhancement measures, including automation of tax collections, enhanced tax laws including VAT Act (2013), Excise Duty Act (2015), among others. This indicatively points to persistent underperformance in revenue collection.

The BPS 2020 outlines further measures to enhance tax collection and projects total domestic revenue including Appropriation-in-Aid (A-in-A) at Ksh 2.13 trillion, equivalent to 77.5 per cent of the total budget and 18.3 per cent of GDP. Out of the amount, the Government plans to collect tax revenue amounting to Ksh 1.86 trillion, equivalent to 16.0 per cent of GDP. A-in-A is projected at Ksh 249.6 billion, and revenue from the Railways Development Levy (RDL) is estimated at Ksh 27.6 billion. Going by historical figures, revenue enhancement initiatives, and the threat posed by COVID-19 global pandemic on the economy, there is need to relook at the revenue targets.

Expenditure measures

Kenya's fiscal policy stance has been an expansionary one amid Government's

objective of fiscal consolidation. Government expenditure has persistently been on an upward trajectory in the last decade. Between 2005/06 and 2018/19, total expenditure grew at an average of 15.5 per cent with recurrent and development expenditures growing at 13.5 per cent and 19.5 per cent over the period.

This has been more pronounced from 2013/14 after coming to effect of devolution as indicated in Figure 2. Increased spending has been attributed to setting up of County Governments and other constitutional offices immediately in the 2013/14 period. Further down the line, spending picked up due to implementation of infrastructure development projects, including energy projects, first phase of the Standard Gauge Railway (SGR), and from rising debt service. While Government expenditure is crucial for economic expansion, the mismatch in Government revenue and expenditure grew rapidly after the setting up of counties, leading to increased deficit (Table 2 and Figure 2b). Also, the increasing deviations in budgeted amounts versus actual expenditure across time indicates poor absorption and budget execution.

Figure 2(a): Trends in expenditure and its components, 2005/06–2018/19 (Ksh billions)

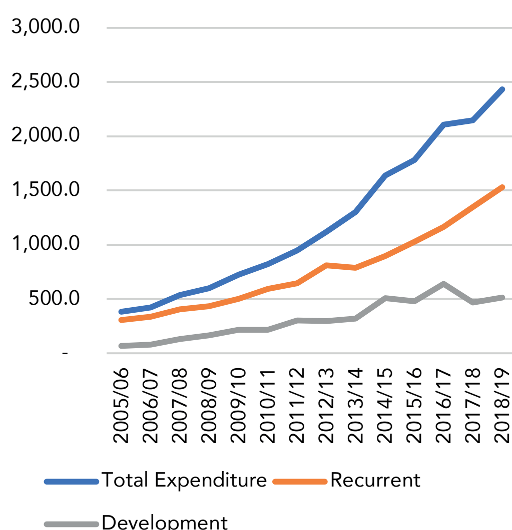
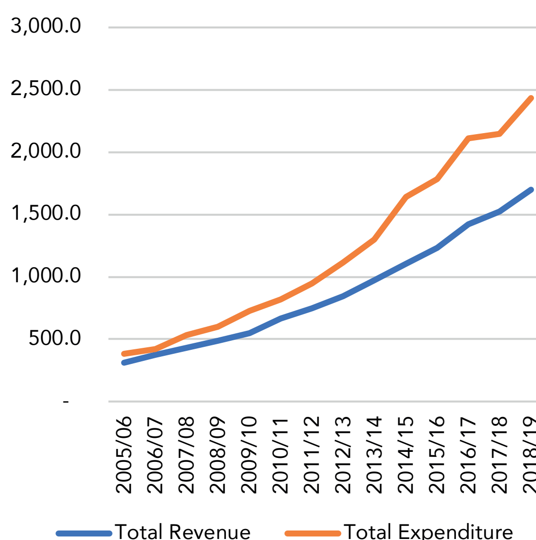


Figure 2(b): Trends in revenues and expenditure, 2005/06–2018/19 (Ksh billions)



Source of Data: Budget Review Outlook Paper (Various Issues) by National Treasury and Planning

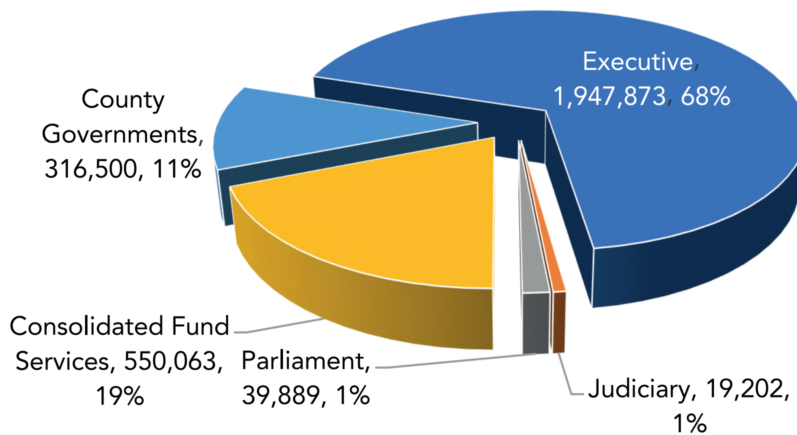
It is evident that recurrent expenditures have been growing faster than development expenditures. After 2016/17, the economy experienced declining development expenditures, a trend that if allowed to continue could hinder productive capacity development.

Figure 3 gives an overview of the proposed budget for the Government of Kenya 2020/21, side by side with preliminary estimates for 2019/20. It shows how the budget of Ksh 2.75 trillion, down by 5.2 per cent from the preliminary budget estimates for 2019/20 will be distributed between the two levels of Government. This is captured in both value (Ksh billions) and in percentage terms.

The national executive takes the largest share, or 65 per cent of the total estimated budget whereas the other two arms of government, Parliament and the Judiciary take a combined 2 per cent. Technically, about 88 per cent of the 2020 budget remains at the National Government compared with 89 per cent in 2019. This denotes that despite increasing importance of County Governments in public service delivery and improved livelihoods, only 12 per cent is left for the counties. Counties will receive an additional Ksh 53.4 billion as conditional grants.

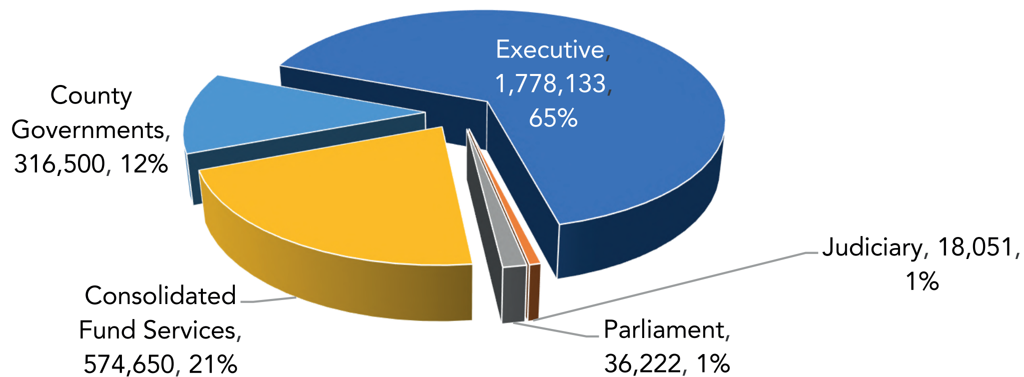
Figure 3: Budgetary allocation (Ksh millions)

(2020/21



Source of Data: BPS 2020, National Treasury and Planning

(2019/20)



Source of Data: BPS 2020, National Treasury and Planning

Of importance to note is the increasing size of Consolidated Fund Services (CFS), about 5 per cent, owing to significant increase in debt redemption and interest payment. It is one of the drivers of Government expenditure outlay that needs monitoring.

On sectoral allocation, analysis reveals anticipated change and shift in sector priorities by the Government in 2020/21 relative to 2019/20. Total allocation to Ministries, Departments and Agencies (MDAs) excluding the Judiciary and Legislature is expected to decline from Ksh 2.0 trillion in 2019/20 to Ksh 1.8 trillion in 2020/22, representing a decline of about 8.7 per cent. Figure 4 and 5 show that the ranking of sector budget shares has slightly changed from the previous financial year budget. For 2020/21, the education sector takes the largest share of the budget at 27.2 per cent followed closely

by energy, infrastructure and information and communication technology (ICT) with 21.2 per cent budget share. These two sectors remain in the same positions as in 2018/19, but education allocation increases slightly by Ksh 1.1 billion while energy, infrastructure and ICT sectors get Ksh 9.1 billion.

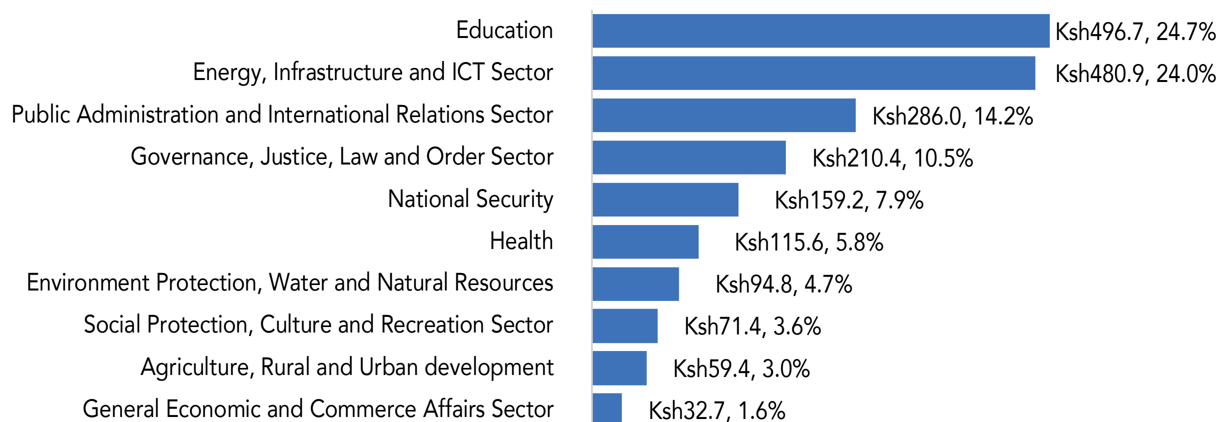
The health and agriculture sectors receive a smaller share of the budget, at 6.2 per cent and 2.6 per cent, respectively. The health sector receives a reduction in allocation by Ksh 1.1 billion while agriculture, rural and urban development receive a budget cut of Ksh 11.3 billion. This could affect the implementation of the "Big Four" agenda. Moreover, the share of health allocation is way below the Abuja Declaration target of 15 per cent of budget.

As the Government continues its efforts to cut back on expenditure, serious balancing between unemployment and Government expense reductions must be done. The National Treasury proposes to cut down overall Government expenditure by about 4.5 per cent and that of government MDAs by 8.7 per cent; this is not an easy task given the responsibility on accelerating growth, employment creation and poverty reduction as per the drivers of the "Big Four" agenda. As indicated earlier, allocation to counties as a share of total budget has declined by a percentage point and remains low, generally, yet it is in the counties where most economic activities take place.

Budget deficit financing

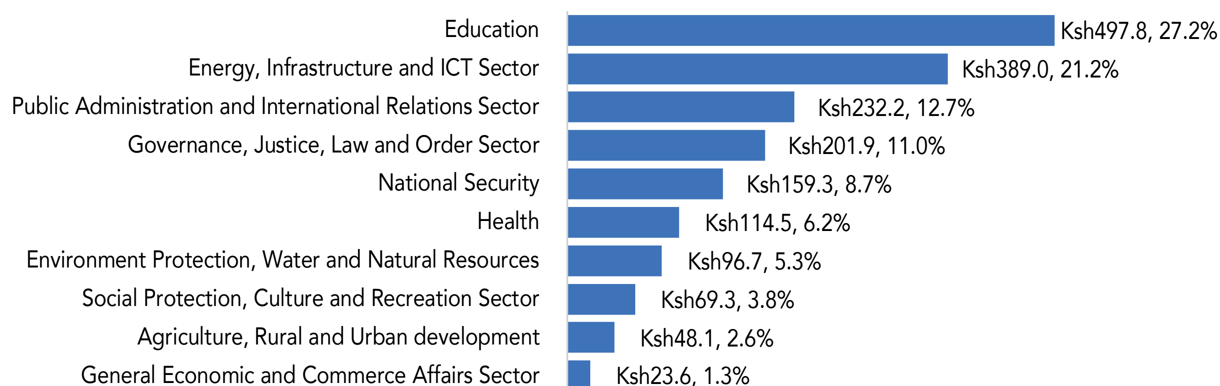
Table 1 indicates that the deficit has widened significantly over time, from a low of 2.4 per cent of GDP in 2005/06 to a high of 9.1 per cent of GDP in 2016/17 before a reversal in 2017/18 and 2018/19 where the deficit stood at 7.3 per cent and 7.7 per cent of GDP, respectively. Given the above scenario, the Government has continued to borrow internally and externally to plug in the hole created by expanded spending relative to revenue raised. Figure 6(a) shows that in the early years of 2005/06 through to 2012/13, the Government relied heavily on domestic borrowing to finance the deficit. However, after 2013/14, the Government has shifted to more external financing. This period coincides with implementation of the devolved government (thus need for more funds) and during this time Kenya attained the lower-middle income status, enabling it to access commercial loans and sovereign bonds and limited or no concessional loans. This has resulted into loans that attract relatively higher interest rates and putting more strain to the public debt level as shown in Figure 6(b).

Figure 4: Sector budget shares 2019/20 (Ksh billions)



Source of Data: Budget Review Outlook Paper (Various) and Central Bank of Kenya

Figure 5: Sector budget shares 2020/21 (Ksh billions)



Source of Data: Budget Review Outlook Paper (Various) and Central Bank of Kenya

In the BPS 2020, the Government proposes to run a fiscal deficit of Ksh 571.2 billion in line with its fiscal consolidation plan. This will be financed through external financing of Ksh 345.2 billion and domestic borrowing of Ksh 222.9 billion. However, going by the recent past figures, this is a daunting task that calls for scaling up of budget execution, particularly development budget to improve the productive capacity of the economy and growth, and strict implementation of revenue enhancement measures stipulated in the BPS and those in the previous BPSs. Narrowing the actual-target revenue gap (like the one seen in the early years of 2006 through to 2008) will help reduce the deficit and the underlying public debt burden.

Implications of a Free Trade Agreement between Kenya and the United States

By Paul Odhiambo, Samuel Kataa, Sabina Obere, Catherine Mutuku

Kenya and the United States intend to initiate negotiations on a Free Trade Agreement (FTA) following bilateral talks between President Uhuru Kenyatta and his United States counterpart, President Donald Trump on 6th February 2020 in Washington D.C. However, negotiations for the FTA will commence only after the US Congress' debate and subsequent approval. For Kenya, the envisaged FTA will be important not only in replacing the current African Growth Opportunity Act (AGOA) but also in strengthening Kenya-US economic and trade cooperation. AGOA is a preferential American legislation under which 40 Sub-Saharan African countries export a range of products to the United States duty-free. This trade regime between the United States and Sub-Saharan Africa is expected to expire in 2025. The announcement of plans to negotiate a new trade deal between Kenya and the United States could mark a beginning of a probable new and exciting journey for Kenyan exporters. Nonetheless, this development has drawn mixed reactions from stakeholders in the trade sector and a section of the public in the country.

Proponents of the proposed FTA argue that the trade deal will be a form of a proactive initiative in anticipation of the end of AGOA in 2025, thus it will become an alternative route for Kenya to access the United States' market. Since Kenya does not operate under the Least Developed Countries framework, it makes sense to negotiate a trade deal commensurate with its status as lower middle-income economy. However, critics contend that the planned FTA is likely to benefit the United States more as it will make its exports to enter easily into the Kenyan market duty-free. In their view, such development could constrain the development of Kenya's manufacturing sector. During the 31st Ordinary Summit in Nouakchott, Mauritania in June 2018, the African Union Assembly committed as a block to engage external partners by speaking with one voice and by abstaining from entering into bilateral trading arrangements until the entry into force of the agreement establishing the African Continental Free Trade Area (AfCFTA) (Paragraph 9).

Since the AU discourages member states from entering into bilateral free trade negotiations with third parties, Kenya will be going against measures meant to safeguard the implementation of the AfCFTA agreement. Moreover, the opponents to the FTA argue that collective negotiation is more beneficial to regional countries at a time when African countries are engaged in various regional integration processes to promote intra-African trade and investment.

"In the quest to create more effective partnership with African countries based on shared economic growth and trade, the United States established AGOA to offer non-reciprocal trade and economic benefits to qualifying Sub-Saharan African countries."

Commenting on the planned FTA, the United States Trade Representative Robert Lighthizer noted that Washington would negotiate a comprehensive and high-standard agreement with Nairobi, which could serve as a model for additional agreements in Africa. The US official added that Kenya is a leader in Africa and an important strategic partner, hence the enormous potential for deepening economic and commercial ties between the two countries. In addition, Lighthizer observed that the US-Kenya FTA would complement regional integration processes in the continent, including the East African Community (EAC) and the AfCFTA. If the trade deal becomes a reality, it will be the first of its kind between the United States and a Sub-Saharan African country. Currently, the United States has only one trade deal with Morocco dated 2004 in the continent.

From time to time, the United States has formulated various programmes to grant preferential US market access for products from developing countries as means to support and promote economic growth and development. One such programme is the Generalized System of Preferences (GSP) established by the Trade Act of 1974 and implemented in January 1976. The US GSP was designed to promote economic growth in the global south by providing preferential duty-free entry of up to 4,800 products from 104 independent countries, including Kenya, and 17 territories and non-independent countries. In the quest to create more effective partnership with African countries based on shared economic growth and trade, the United States established AGOA to offer non-reciprocal trade and economic benefits to qualifying Sub-Saharan African countries. Since its first enactment in May 2000, AGOA has been extended four times in August 2002, July 2004, December 2006 and June 2015.

Under AGOA framework, trade between Kenya and United States has considerably increased. In 2000, Kenya's exports to the United States in value amounted to US$ 109 million while imports from the United States amounted to US$ 235 million, showing a negative trade balance in favour of the United States (Figure 1). In 2018, exports from Kenya to the United States amounted to US$ 646 million and imports amounted to US$ 315 million,

indicating a positive trade balance in favour of Kenya. The growth rate since the onset of AGOA is seen to be 434 per cent since 2000, which indicates that the United States is a key trading partner to Kenya.

The United States has become the third-largest trade partner with Kenya after the European Union and Uganda. Total trade between Kenya and the United States amounted to US$ 1.1 billion in 2019, which accounted for an increment of 4.9 per cent compared to 2018. The top United States exports to Kenya in 2019 included: aircraft (US$ 59 million), plastics (US$ 58 million), machinery (US$ 41 million), and cereals-wheat (US$ 27 million). The top US imports from Kenya in 2019 included: apparel (US$ 454 million), edible fruits and nuts (US$ 55 million), titanium ores and concentrates (US$ 52 million), and coffee (US$ 34 million). Kenyan exports to the United States are largely apparel and textile products, the top categories being apparel of synthetic fibre and cotton apparel.

The AGOA product eligibility implies that a product, when produced in an AGOA beneficiary country, may enter the United States on a duty-free basis. Products must comply with the relevant local processing (Rules of Origin) and customs requirements. AGOA preferences currently apply to more than 6,400 products. This includes the approximately 5,000 tariff lines currently covered by the United States GSP, plus tariff lines added by the AGOA legislation. It is worthwhile to note that the 40 countries that have at one time or another been eligible have not earned much from the 20-year-old pact, which gives preferential treatment to goods entering the US market.

Kenya has concentrated on the textiles and apparels. According to the Kenya National AGOA Strategy (2018-2023), Kenya is favoured by internal factors in the textile and apparel sector such as supply of skilled workers in garment-making, competitive wages, high worker retention, available water supplies, port efficiency, investments in the export processing zones (EPZs) and the influence by growing concerns about corporate social responsibility that caused multinational apparel firms to seek new suppliers outside low-cost Asia.

In 2018, Kenya exported apparels worth US$ 392 million under AGOA. Since 2000, Kenya has exported US$ 4.7 billion worth of garments to the United States on a duty-free basis. In 2018, Kenya was the largest garment exporter under AGOA, ahead of Lesotho, and with more United States exports than Mauritius and Madagascar combined. This could be attributed to the fact that the sector has largely met the Rules of Origin criteria of eligibility of entry into the United States market; that the cost of the materials used plus the direct cost of processing must be equal to or more than 35 per cent of the total value of the product. This is based on the logical assumption that such preferential treatment should benefit industries in the originating country.

United States' efforts for a new trade agreement

The rapid growth of Africa presents huge opportunities for United States economic

Figure 6: Official foreign reserves and months of import cover (Mar 2019-Mar 2020)

and commercial prospects. The continent is undergoing a transformational change with an aim of enhancing greater regional integration through the formation of the AfCFTA, which is expected to be fully operational in July 2020. Kenya being strategically located and a regional hub, there is huge potential for United States to explore opportunities in East Africa and beyond. A trade agreement between Kenya and the United States will reinforce Africa's regional integration efforts, including AfCFTA. In 2019, the African Union and the United States signed a joint statement with regard to the development of the AfCFTA, which reflected the common goal of deepening trade and investment relationships within the continent. Washington pledged to continue supporting AfCFTA to realize its full potential.

In 2018, President Kenyatta and President Trump established the Kenya-United States Trade and Investment Working Group (TIWG) with the intention of deepening trade and investment between the two countries and laying groundwork for a future trade relationship. The TIWG was tasked to work on the following areas: pursue exploratory talks on a future bilateral trade and investment framework; maximize the remaining years of AGOA; strengthen commercial cooperation; and develop short-term solutions to reduce barriers to trade and investment.

Africa's concerns about trade agreement with a third party

Kenya is a member of various regional integration blocs, including the East African Community (EAC), Common Market for Eastern and Southern Africa (COMESA), COMESA-EAC-SADC Tripartite and AfCFTA that urge a member state to inform other members of its intention to enter into a bilateral agreement with a third party. For instance, since 1963, the OAU/AU summits have constantly made appeals for solidarity among member states in international trade negotiations. The AU 2018 Nouakchott summit decision on AfCFTA called on AU member states to refrain from signing new FTAs for trade in goods, economic integration agreements for trade in services and Bilateral Investment Treaties (BITs) with third parties until the AfCFTA enters into effect.

Article 37(4a) of EAC Customs Union Protocol states that a Partner State may separately conclude or amend a trade agreement with a foreign country provided that the terms of such an agreement or amendments are not in conflict with the provisions of the protocol. Further, where a Partner State intends to conclude or amend an agreement with a foreign country, the Partner State shall send its proposed agreement or amendment by registered mail to the Secretary General, who shall communicate the proposed agreement by registered mail to the other Partner States within a period of 30 days for their consideration.

Similarly, Article 56 (2) of COMESA treaty states that nothing in the treaty shall prevent "a Member State from maintaining or entering into new preferential agreements with third party countries provided such agreements do not impede or frustrate the objectives of this Treaty and that any advantage, concession, privilege and favour granted to a third country under such agreements are extended to the Member States on a reciprocal basis." Moreover, regional countries enhance their collective bargaining power when they negotiate trade deals with extra regional powers as a bloc. While negotiation as regional blocs has its demerits, it is critical that Kenya weighs its options as it engages the United States in the proposed

> "The Africa Growth and Opportunity Act expires in 2025, which may appear to be far off but due to the complex nature of any trade regime it is not too soon to kick off the difficult and complex work that will lay a foundation for a reciprocal trade relationship."

FTA.

Looking at the EAC and the European Union (EU) Economic Partnership Agreement (EPA) for example, it stalled because most EAC Partner States did not ratify the agreement. The EAC Partner States had completed negotiations for an EAC-EU Economic Partnership Agreement (EPA) in 2014 but, by 2016 which was the deadline, only Kenya had signed and ratified the agreement followed by Rwanda. Such could tempt a member state of a regional economic community (REC) to proceed unilaterally to negotiate an FTA especially when attaining common position proves difficult.

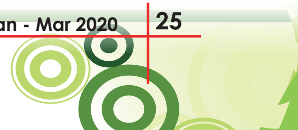
Globally, the trade environment has been changing rapidly and consequently affecting the US-Africa trade relationship. The Africa Growth and Opportunity Act expires in 2025, which may appear to be far off but due to the complex nature of any trade regime, it is not too soon to kick off the difficult and complex work that will lay a foundation for a reciprocal trade relationship.

Morocco-USA FTA: What can Kenya learn from this?

The Morocco-US FTA came into force in 2006, with high expectations on both sides. The motivation for the United States to enter an FTA with Morocco was driven by the foreign policy objective of establishing and strengthening the relationship with a stable partner in the region, which was at that time characterized by instability. Morocco, on its part looked at the agreement as an avenue to expand its market for exports of its goods and services and increase its foreign direct investment. Since the entry into force of the FTA, the U.S. exports into Morocco have grown substantially. Most specifically, Morocco is among the top 50 export destinations for the United States. However, there has been an outcry among traders in Morocco on the poor performance of their exports in the United States and the inability for the country to attract foreign direct investment as had been envisioned during the trade deal.

The experience of Morocco post the FTA agreement with the United States provides a benchmark for Kenya to learn from and move forward into the agreement with the knowledge that the benefits of FTA with a major power such as the United States will solely depend on how the country positions itself to enhance trade. Most specifically, the country should endeavor to diversify its economy by focusing on value addition for the products it intends to export through absorption of valuable technology and know-how from the United States. Consequently, firms in Kenya can take advantage of the FTA platform to expand exports to other regions by importing inputs in the form of goods, parts, components, and services from the United States which they can use in the manufacture of other goods for re-exports through what is commonly referred to as the import to export model.

Kenya's engagement in Africa's regional integration processes and negotiations of FTAs with third parties should be shaped and guided with clear and consistent policies that not only aim at achieving the country's core national interests across the globe but also safeguarding the aspirations, solidarity and common agenda of the AU and African people. This calls for the country's leadership to position Kenya strategically to exploit trade and investment opportunities in the region, Africa and the world at large.



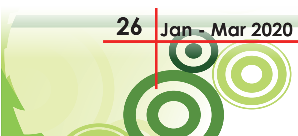
Locusts Invasion and the Implications for Kenya

By Dr Matthew Muma and Judy Kaaria

Image by BioPic Photos from Pixabay

In this article, we clarify the basic facts about the Desert Locust (DL), control measures, its recent invasion of the three Horn of Africa's nations of Kenya, Somalia and Uganda, the measures being undertaken in Kenya and implications to food and nutrition security. Furthermore, we shed light on the desirable intervention programmes and the policy gaps that need to be addressed to minimize the impact of future outbreaks and to make Kenya's food and nutrition policy sustainable, especially for the more vulnerable Arid and Semi-Arid Lands (ASALs).

The scientific name of the desert locust is *Schistocerca gregaria*. Desert locusts are a species of swarming short-horned grasshoppers. The Horn of Africa is experiencing the worst invasion in decades since December 2019. For Kenya, this is the worst outbreak in 70 years. The last invasion of the Horn of Africa in Somalia was in 1987-1989. The last surge in West Africa was in 2003/04. Desert locusts usually live a solitary life but become more abundant and change their behaviour and habits, becoming more gregarious or swarm under certain conditions. These conditions are such as during prolonged alternating wetter and hotter seasons when there are upsurges of several breeding generations of desert locusts, such as the case in the Horn of Africa between 2018 and 2019 during Cyclone Pawan. The Indian Ocean dipole - a phenomenon in which the western Indian Ocean near Eastern Africa is warmer than the eastern part of the ocean – added to the suitable conditions through a prolonged period of unusually heavy rains in Eastern Africa from October 2019 to December 2019. Desert locusts normally live in an area in a band south of Sub-Saharan Africa all the way to India.



The Food and Agriculture Organization (FAO) of the UN has attributed the desert locust swarms to heavy rainfall in the Arabian Peninsula during May 2018 to October 2018, which created best breeding conditions in Yemen. Lack of control measures on the locusts in the breeding grounds in Yemen made it possible for three generations of breeding desert locusts to migrate through Saudi Arabia to the Horn of Africa and through Iran to Pakistan and India. Therefore, the conditions mentioned above and the breeding of generations of the locusts are expected to continue to June 2020.

The swarms are devastating pastoralists and farming communities in the Horn of Africa's countries of Kenya, Somalia, Ethiopia, Djibouti, Uganda and Eritrea. The locusts have also been sighted in Tanzania, the Democratic Republic of Congo, and South Sudan. The desert locust is considered the most destructive migratory pest in the world since it is highly mobile and feeds on large quantities of any kind of green vegetation including crops, pasture/browse, forest and fodder trees. A typical swarm can be made up of 40-80 million locusts per square kilometre. Such a swarm can consume in a day the equivalent of food enough to feed 35,000 people. Swarms can spread very fast, covering up to 100-150 kilometres per day. Outbreaks can occur periodically but are complex to predict because of wind speed, temperature, and humidity, etc. A large swarm such as in 1,000 square kilometers can devour food equivalent to 200 million tons, enough to feed 800,000 people.

The Horn of Africa's nations including Kenya, Uganda, and Somalia that are now under invasion have vast swarms of locusts maturing and laying eggs on the ground during the relatively hot months of January and February 2020. Within the next three months, the number of locusts in the swarms in their billions could be 20 times more than the current swarms. This is the case given that a female desert locust can lay eggs three times in a lifetime with at least 100 eggs in each breeding cycle, with swarms having billions of locusts. Breeding occurs at intervals of 6-11 days. If control measures are not taken on the current swarms, new generation hoppers may emerge in search of food and reproduce when crops will be standing after April 2020, then there could be 400 times the number of locusts expected in six months' time. The rainy season from April through to June will be challenging for the control of locusts because spraying with insecticides is ineffective, since the active chemical ingredient in the spray is likely to be washed off the sprayed surfaces.

By January 2020, the FAO had estimated that about 110,000 hectares were affected by the plague in the Horn of Africa. It is also estimated that about 13 million people across the region are critically food insecure currently. If control measures are not taken on the swarms starting from January 2020 and new swarms arise from the breeding grounds from Yemen and Somalia where no control measures are being implemented, then 25 million people will be critically food insecure in the region during the cropping season. This adds to the threat of unidentified breeding grounds for the swarms, which have already arrived in the three mentioned countries. The focus for control measures is ensuring that young adults and mature adult locusts, which are about to mate or are mating are destroyed to prevent them from breeding and producing hopper bands. Destroying the hatched hoppers from breeding is crucial in ensuring that no upsurges of new locusts devastate crops and livestock pastures.

The desert locust swarms first appeared in Kenya's northeast region on 28 December 2019, arriving from adjacent regions of Somalia and Ethiopia to the north. The swarms spread at an alarming rate and their presence has been confirmed in 16 counties including Wajir, Mandera, Marsabit, Garissa, Isiolo, Samburu, Laikipia, Meru, Embu, Baringo, Kitui, Tana River, Tharaka Nithi, Machakos, and Turkana. A very large swarm was seen west of Mandera County on 8th January 2020, which was

> "The swarms are devastating pastoralists and farming communities in the Horn of Africa's countries of Kenya, Somalia, Ethiopia, Djibouti, Uganda and Eritrea."

40 km by 60 km in size. The swarm was starting to mature, suggesting the likelihood of breeding which would require immediate control through spraying the hopper band in addition to a campaign to control the current swarms elsewhere.

As a result of the invasion in those counties, damages to crop and pasture or browse are already being reported across the counties involved. Reports on the damages are not yet detailed. Since January 2020, assessments on the damages and breeding grounds have been ongoing by the National and County Government officials, jointly with the Food and Agriculture Organization (FAO). The locust surveillance and monitoring units at the counties liaise with the National Government Control Unit and the National Disaster Operations Centre. Intensive ground and aerial spraying are on-going in the affected counties. The outbreak may have alarming consequences on food and nutrition security for Kenya and further exacerbate the already highly vulnerable food security situation in the East African region. Over 3.1 million Kenyans were already food insecure by January 2020. Projections on food security indicate that stressed or crisis outcomes are expected to continue through May 2020.

The above control measures are being carried out under the Plant Protection Act of 2012 and Crop Protection Act of 2013 in general. One problem for desert locust control in Kenya is that there is no policy with legal provisions to address the desert locust specifically, most probably because the pest only occurs periodically and sometimes after a long time. The problem with the Plant Protection Act of 2012 is that it provides for the protection of all or most plants against pest and disease infestations in a general way that may not suit the urgency and alarming nature of a pest such as the desert locust compared to other types of pests. Secondly, the Crops Act of 2013 caters for scheduled crops such as tea, coffee and maize, among others, but only superficially for locust control. Third, there are no programmes for desert locust surveillance locally because there are no locust specialists trained at the highest level who are employed and deployed by the Ministry of Agriculture to focus on desert locust activities.

Fourth, there are no funds allocated for desert locust control measures as a serious food security and livelihoods risk. Ideally, the problem should be mainstreamed in the National Food and Nutrition Policy and budgeted for annually by spelling out measures for ensuring food availability against the pest every year. Given the alarming nature of the invasion, such a budget for the pest should be ring-fenced so that the budget is made available every year for addressing the pest whenever it occurs. Although a Desert Locust Control Committee/Board exists, it may not be able to carry out its mandate because of funds. Depending on donor funding to ensure food and nutrition security and sustainable livelihoods is a serious weakness to Kenya's food and nutrition security policy.

Another policy gap is the weak linkage of the Ministry of Agriculture with regional organizations involved in desert locust monitoring and surveillance, such as the Desert Locust Control Organization of East Africa headquartered in Addis Ababa, Ethiopia. This link should be improved and information available from regional surveillance on desert locust should be translated into locust control plans and measures at the County and National Government levels.

The current established methods for controlling the desert locust include: processing of survey data with Geographic Information Systems (GIS); survey and application methods using Global Positioning Systems (GPS) and precision spraying; barrier applications with new persistent insecticides; physiological and ecological studies focusing on phase change of the hopper stages; use of biopesticides, especially mycopesticides; and insect growth regulators and environmental monitoring. Kenya and the Horn of Africa countries are scantily using the above methods except for GPS, which IGAD is using to advice the affected countries on desert locust movements and locations, and application of pesticides.

IGAD has currently evolved a pioneering method for controlling the locusts, which involves the prediction of the locations of migrating locusts using computer modeling that indicates the locations of the migrations accurately 90 per cent of the time. The model depends on wind speed, temperature and humidity, among other factors. The technique can therefore point out the likely mating grounds of arriving locusts, which can be monitored for hatchings of different stages of the hoppers. The hoppers can then be located and sprayed to prevent new surges of the insects. Some of the major challenges for control of an upsurge or outbreak, like has happened in Kenya by spraying, are that there is no evidence

of effectiveness of this strategy against desert locusts. The management of desert locust control is a crisis since some countries escape the outbreaks, and some countries do not control the outbreaks, which can lead to more outbreaks from originating or neighbouring countries.

Given the alarming situation expected on food security, serious efforts should be made to protect the livelihoods of livestock holders and farmers by assessing the impact of the locust plague on farming, and livestock livelihoods and across livelihoods. The needs of farmers and livestock holders such as seeds, replacement stock, fertilizers and money they need to restart and rebuild their operations and livelihoods should be considered and resources made available by the Government and aid agencies if the impact of this plague is to be addressed adequately.

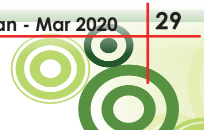
The National and County Governments are jointly conducting assessments with relevant local and international organizations on the impact of the desert locusts on farming and livelihoods to draw a plan for monitoring, preparedness and response to the plague. The assessment will involve evaluation of the proportion of infested areas in each county after control measures have been taken compared to infested areas before control measures were taken, the impact of the pests on the livelihoods of the communities after the invasion, capacity needs and the existing institutional gaps for recovery. The output of the assessments will be used by the two levels of government and aid organizations to draw a monitoring, preparedness and response plan to the plague in the immediate future and in the long-term. This can be used to adequately address the plight of the communities. These measures are prudent because of the emergency nature of the plague.

However, the plague can still be considered as a disaster, and Disaster Risk Reduction Management Approach (DRRMA) can be applied. This can still run parallel to part of the aforementioned DRRMA cycle plan by the Government. This can comprehensively and thoroughly address the plague in the short, medium and long-term. It would involve understanding the disaster risk (risk assessment), planning for the disaster risk (risk preparation), building for the risk (risk prevention), mitigating for the risk (risk prevent), insuring for the risk (risk mitigate), responding to the risk (risk response) and risk recover and improve (risk recovery). Assessment of desert locust invasion would require analysis of the hazard in terms of hazard profile characteristics such as magnitude, effects/impacts on individuals and communities (food security, livelihoods, economy and natural resource status), assessment of vulnerability levels on age, gender and socio-economic status, more so by assessing capacity in terms of skills, attitudes, knowledge and institutional gaps to address vulnerability and risk, with recommendations on mitigation/prevention measures. Community Disaster Risk Reduction Development Plan and Contingency Plan can result from such assessments that constitute building for risk prevention.

Planning of risk reduction or preparedness for the invasion would involve putting in place policies, institutional frameworks and programmes that strengthen technical and managerial capacity of governments and communities to effectively prevent, prepare, respond and prevent future invasion risks. Response stage should aim at dealing with the effects of the locusts invasion and protect vulnerable communities and individuals from the impact. This should involve both direct interventions against the locusts and all immediate assistance to mitigate their impact on household food security, livelihoods, economy and the status of the environment. The recovery stage of disaster risk reduction (DRR) should require significant improvement of household, community and institutional resilience against future locust invasions. It will involve, for example, rebuilding household and community assets such as farm inputs, destroyed crops, fodder support to livestock, improved market access to livestock, environmental rehabilitation, and enhancement of community and other responders' capacity. The rebuilt assets should be prevented from recurrent damage.

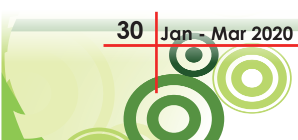
The mitigation or prevention stage of DRR for the invasion should have measures ensuring elimination or reduction of the probability of the invasion and minimizing its effects when it recurs. The measures would include vulnerability analyses and updates, monitoring and early warning systems, institutional capacity and policy development and public education and community institutional development.

Some facts about experiences with desert locust invasion in West Africa in 2003-04, which can enhance efforts towards addressing the impacts of the plague are: taking control measures against the swarms and interventions on the livelihoods



of farmers and livestock holders to avert the catastrophe; and inter-agency cooperation and collaboration within and beyond the Horn of Africa or East Africa. The IGAD is providing surveillance for desert locust using satellites and GIS methods and advising countries of the Horn of Africa on the likely locations for breeding and landing of the swarms to enable them take control measures. In addition, resource mobilization should be key in preparedness plans needed in addressing the problem when it recurs. The preparedness plans required include monitoring, surveillance and early warning systems, use of new technologies such as satellites, drones and remote sensing tools for monitoring desert locust movements and planning for the control. The four organizations playing a major role in addressing the invasion are the Governments of Kenya, FAO, Desert Locust Control Organization of East Africa (DLCO) and IGAD.

Control management of outbreaks will positively impact food and nutrition security, livelihoods and natural resource conditions when inter-agency collaboration are initiated by the relevant government, international and local organizations. Further, management of control ensures that surveillance and control is coordinated among outbreak and breeding countries and disaster risk reduction plans for affected communities are prepared, implemented and monitored. Relevant policies and institutional frameworks addressing desert locust invasions will be needed at country, inter-country and at regional levels.



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The Global Threat of Pandemics such as Coronavirus and Kenyan Context

By Rose Ngara-Muraya

The disease caused by Coronavirus, a new virus (SARS–CoV-2), is a respiratory tract infection with serious health and other social and economic implications globally and for Kenya. The disease was first reported in Wuhan, China on 31st December 2019. It presents itself with sneezing, dry cough, high fever and difficulty in breathing, and there is no known vaccine or treatment for this infection yet. On 9th January 2020, the World Health Organization (WHO) announced that this is a previously unknown virus (novel coronavirus) and it was named COVID-19. The first death from COVID-19 was reported on 11th January 2020 in Wuhan, and on 13th January, the virus had spread outside China borders. On 20th January 2020, it was confirmed that the virus was beyond zoonotic since it was spreading from human to human and was spreading fast even before an infected person shows any symptoms. Moreover, people that do not have the disease but have touched surfaces with the virus and are carrying it in their hands were spreading it with simple handshakes. On 30th January 2020, one month after it first appeared, the World Health Organization (WHO) declared a world emergency due to the virus. There were 7,818 cases globally, of which 7,736 were in China and 82 spread over 18 countries with a total of 170 deaths.

The disease grew exponentially through February, with cases increasing from about 12,000 in 23 countries to 85,500 cases spread over 53 countries. Data from the WHO indicated that as of 14th March 2020, about 142,534 cases of COVID-19 were reported worldwide, with 5,392 (3.8%) deaths in 134 countries. By 17th March 2020, 179,111 cases were confirmed with 7,426 (4.1%) deaths and by 22nd March, there were about 332,930 confirmed cases, with 14,509 deaths (4.4%). Much as a significant number of those infected recovered from the disease, its dynamics seem to change, with increasing proportion of deaths except in China. China recorded a higher proportion of recoveries (56,003 out of 81,058 cases (69%) and 3,111 deaths (3.8%)) by 17th March, and decreasing new infections (242, 198 and 146 new cases on 20th, 21st and 24th March, respectively). Germany, Switzerland, Norway, Singapore and a few other countries had less than 0.5 per cent deaths from the disease over time, while a significant proportion of the global new cases were being reported in the USA, Italy, Spain, Germany, France and Iran.

According to the Centre for Disease Control (CDC) Africa, the myth that Africans are immune to the disease dissipated as the first case was reported on 14th February 2020 in Egypt. Fear spread given the challenges with

healthcare systems in most countries and hygiene practices across most parts of the continent. Some African countries including Egypt, Algerian, South Africa, Ethiopia and Nigeria were considered the most likely to be impacted by the disease due to high flights traffic from mainland China. However, Algeria, Egypt and South Africa were considered relatively better placed to deal with the outbreak right from laboratory disease identification/testing capacity, quarantine infrastructure and capacity to track and monitor contacts. Nigeria announced its first fatality from COVID-19 alongside the Gambia and Zimbabwe by 23rd March. Libya and Western Sahara are among 11 African countries that reported zero cases of the virus by that date. Others include Sierra Leone, Mali, Guinea-Bissau, Sao Tome and Principe, Lesotho, Botswana, among others.

The first case of COVID-19 was reported in Kenya on 13th March 2020 on a patient who travelled back into the country by air. Two more cases were confirmed on 14th March while a fourth case that came from London on 9th March was confirmed on 17th March. By 19th March, there were seven (7) confirmed cases rising to 15 by 22nd March, all imported, 5 of them being Kenyans returning home from various countries including Rwanda, Germany, Italy and USA. These were people that travelled into the country already infected with the virus, but too early to be detected during screening at the airport and other points of entry. The contacts all these cases had interacted with in the country were followed and screened for any symptoms of the disease, with some asked to quarantine themselves while others were put in isolation, some in a hotel in Naivasha where a French couple stayed before proceeding to Kilifi. As of 31st March, Kenya had 59 cases, one recovery and one death reported, with most of the infections being from those disobeying quarantine.

It is not the first time that Kenya has prepared for an epidemic. Previously, a facility had been set up to tackle Ebola during the 2014/15 threat, when it was feared the disease may spread from Guinea, Liberia, Sierra Leone and a few other West African countries experiencing a serious Ebola outbreak at the time. Policies, strategies and frameworks were structured to deal with the Ebola threat. The country also sent medical personnel to assist contain the Ebola outbreak in Liberia.

China, Italy and other seriously affected countries have learnt lessons and are readily sharing with the rest of the world how not to fall into a COVID-19 crisis like they did. The biggest lesson is that this highly contagious disease is now spreading from human to human, mainly from mouth and nose droplets as the infected sneeze/cough into the air or hands. The droplets in the air land on those nearby, who then breath it into their lungs getting infected. A sneeze/cough into hands is then transmitted to another either through handshakes or surfaces touched and left with the virus, which are then touched by uninfected persons who then touch the mucous membranes on their own faces (mouth, nose and eyes) infecting themselves.

In response, the Government of Kenya has put in place certain measures to contain the COVID-19. President Uhuru Kenyatta appointed a multi-agency taskforce (COVID19Ke Taskforce) made up of 21 members to coordinate preparedness, prevention and response to COVID-19. Since the first case of COVID-19 was announced on 13th March 2020 in Kenya, this team meets daily, and issues daily updates and directives regarding the disease. This has impacted Kenya greatly, making Kenyans realize the looming danger of the disease and deserved seriousness in following the directives, with the latest directive being legal action against those refusing to quarantine themselves after they know they have been exposed, either through travel from infested areas or through contact with infected persons. The taskforce has several sub-teams, one being a Resource Mobilization Team whose tasks include obtaining commodities such as testing kits, protective gear, masks and

medical equipment required for health workers deployed to treat COVID-19 patients.

The other preventive measures have seen the judiciary reduce court operations. All schools and institutions of higher learning were closed, and rules and restrictions on movement were developed to reduce public transport vehicles' capacity to 60 per cent. Weddings and *matangas* (funeral fellowships) were banned, and funeral attendance was restricted to 15 family members. Bars were ordered closed, and state agencies were encouraged to have staff in non-essential services to work from home and/or create shifts to reduce workforce at any given time to a bare minimum. A curfew was placed to minimize night movement among other measures. The country also banned all international passenger flights effective 25th March 2020 and gave isolation conditions for cargo planes crew. Moreover, google loon service was installed for faster and more efficient internet to facilitate work and schooling from home, and transmission of information on COVID-19 virus including any cluster outbreaks. The counties also added their county-specific rules to enhance the national government ones. For example, Kakamega County directed morgues closed and funerals held within 24 hours after death. Machakos County, among other measures, banned *boda boda* and *tuk tuk* operations, and waived their taxes for the rest of 2020 to cushion the sector through this difficult period of COVID-19 outbreak.

> "Sensitization helps to demystify the disease, inform people on how it is transmitted, how to avoid contracting it, its symptoms and how to avoid transmitting to others. One of the most important preparedness is therefore sensitization about the disease, ensuring information reaches the majority on how to avoid infecting themselves and others through hygiene practices."

Health care facilities and infrastructure have also been set up, with an extension of Mbagathi Hospital where a 120-bed capacity isolation ward was prepared and required equipment placed on standby. Kenyatta National Hospital had an 11-bed capacity isolation ward and there was also backup capacity at Kenyatta University Teaching Research and Referral Hospital, Moi Teaching and Referral Hospital, and privately-owned health facilities. All counties were ordered to prepare isolation facilities in Level 4 and 5 hospitals by mid-March.

Healthcare personnel are also being trained on how to manage the pandemic. Training is paramount given that medical personnel contract the virus from their patients despite protective gear as reported from China and other seriously affected countries such as Italy and Spain. Alongside information dissemination, training healthcare personnel is an important level of preparedness. This capacitates them to identify the disease, interact with and collect specimen from patients for testing without putting themselves and others at risk. The required training goes beyond medical personnel to other hospital workers including cleaners, who must learn how to dispose waste from infected persons without putting themselves and others at risk from contaminated materials. Even gatekeepers need to be informed about the symptoms, where and to whom the incoming patients should be directed, and how to protect themselves and others. Personalized waiting areas during assessment, with a 5 to 6-feet radius from one patient to another, is essential. Substantial information on how health facilities and healthcare personnel should handle cases of COVID-19 has been given by the Centre for Disease Control (CDC) . Over 5,000 doctors received training on how to

handle the virus and over 5,000 prevention kits were distributed to the counties in the initial phase. The trained personnel continue to cascade the training to others, including community health workers. With the help from Africa Medical Research Foundation (AMREF), an initial 24,000 community health workers received training.

To help contain the spread of the virus, public awareness is being conducted, noting that increased awareness creation programmes for the general population about COVID-19 secures them from infection, reducing the need to get to visit hospitals. Sensitization helps to demystify the disease, inform people on how it is transmitted, how to avoid contracting it, its symptoms and how to avoid transmitting to others. One of the most important preparedness is therefore sensitization about the disease, ensuring information reaches the majority on how to avoid infecting themselves and others through hygiene practices. These practices include sneezing into elbows or disposable tissues and washing hands with soap for at least 20 seconds after a bathroom visit before eating, after nose blowing, coughing, or sneezing; regularly sanitizing hands with alcohol-based sanitizers if soap and water are not readily available; not shaking hands, not hugging, and social distancing (staying/ working from home where practicable); keeping a distance of about 1-2 metres from a coughing person; and locking down communities with high infection threats to contain the spread of the disease.

In addition to the media houses that have a wide reach, the best placed public awareness creators are community health workers (CHWs). They clearly understand hygiene and can effectively communicate to the people they serve, and maintaining hygiene is the first level of avoiding the virus. The CHWs have been imparting information on the need for increased hygiene to the communities they serve, to prevent/ curtail community spread of the disease. In partnership with other institutions including Safaricom, the Ministry of Health has been sending text messages with information on COVID-19 for public awareness. A call centre where people can seek information or report suspected cases by dialling 719 for audio messages or *719# for short messages across all networks was established, as a precautionary measure for people not to be misled with false or unreliable information, but to get their questions answered directly and as comprehensively as possible. Use of both English and Kiswahili is recommended for the information to reach the majority.

To aid in preventing widespread transmission of the virus, identification of the most probable point of spreading the virus is being undertaken. Sports events, places of worship, conferences and meetings, workplaces, public gatherings including funerals, weddings and *barazas*, public transport vehicles, classrooms and even hospitals among other places where people meet are ideal for transmission grounds. The best strategy to prevent widespread infection incudes reduction of such gatherings to a bare minimum and making use of the gatherings that cannot be avoided as sensitization forums, while placing sanitizers strategically. This has been observed to work in Singapore, Australia, Malaysia and Japan, where cases were reported but the spread was curtailed through hygiene and limited movement leading to fewer casualties. Kenya has sensitized people on the same, widely informing all that hand washing eliminates the virus from hands, and that use of alcohol-based sanitizers is essential especially in some public places such as public transport, public offices, etc where handwashing is not practicable. These are high-risk areas of spreading/contracting the disease given Kenyan's high mobility tendencies especially in urban settings. Curtailing this mobility and capacity building for public transport operators to provide the sanitizers is a priority and has proved effective. This practise has been well accepted alongside hand washing or sanitizing in food markets, supermarkets and entry point to most buildings.

Botswana, one of the countries reporting

no cases of coronavirus by end of March, started taking preventive measures from 9th March 2020, with advisories to avoid non-essential travel to countries with coronavirus cases. They also advised social distancing, not touching eyes, nose and mouth, and other hygiene practices such as thorough handwashing, sanitizing, not sharing water bottles, food, towels, utensils, not shaking hands, not carelessly throwing away used tissues and disposable items, frequently cleaning touched surfaces with household disinfectant (leaving surfaces slightly wet and allowing air drying for best disinfection), respectfully staying away from sick people and avoiding going to large public venues such as malls, theatres or sporting events, among others. Discipline is high, with examples of President Mokgweetsi Masisi and all members of his entourage who self-isolated from family and the public after an urgent trip to Namibia to attend a regional meeting where coronavirus was the main agenda. The country is considering closing borders following a COVID-19 death report in Zimbabwe.

Masks are essential to prevent an infected person from infecting others, which can delay community spread of COVID-19. All in high-risk areas are encouraged to wear them to minimize exposure. If the spread escalates, it is possible to distribute the masks through transport systems, with every passenger being given one and asked to wear it through the journey while also using sanitizers at entry and exit from a clean and well sanitized public transport vehicle. Similarly, at points of entry to a health facility, patients should be issued with a mask if they do not already have one, irrespective of the illness they are coming to seek treatment for. People suffering other health conditions and hence with low immunity are highly susceptible to infection with the COVID-19 virus on exposure.

Pueyo , in his article on what do to about the spread of the coronavirus, gave the global and country specific trends of infections, recoveries and fatalities, with different scenarios of what would happen if certain actions are taken. He also detailed action that helped China flatten the infection curve. China locked down her most affected cities and provinces, which turned infection growth from the exponential rate it was experiencing to a flatter curve. Flattening the curve helps in containing the situation to what available healthcare workers and facilities can deal with. Unfortunately, just as China locked down her affected areas, the virus had spread out to other countries that took no immediate action, and the transmission continued exponentially in the rest of the world. This exponential global trend is of great concern. Some countries such as Italy declared a total lockdown though late in time, while the USA started by banning flights from most of Europe. Although Germany had many cases of the diseases, the country suffered few fatalities compared to Italy and Spain. Kenya banned non-essential travel starting with public servants and limiting international movement, eventually banning all passenger flights into the country effective 25th March 2020. This created higher chances of containing importation of the virus, but the immediate challenge remained limiting community transmission.

Other viruses have been experienced in the past, but not with such severe and widespread effects. There are several explanations as to why COVID-19 spread faster and more widely than other viruses such as Severe Acute Respiratory Syndrome (SARS CoV-1), The Middle East Respiratory Syndrome (MERS), swine and bird flu, Spanish flu, ZIKA and even Ebola. One explanation is that global connectivity is greater now than before, making people movement easier and faster and with them the virus. The other is the epicentre of the disease. If the disease breaks out in a small country with minimal connectivity with the rest of the world, the disease will not spread as fast and can easily be contained. Another reason is the mode of transmission. SARS-CoV-1 (from bats) that broke out in China and spread to Hong Kong, Vietnam, Singapore, and Toronto, had only 8,000 infections and killed 800 people

(10%) globally. It spread less rapidly than COVID-19, which is transmitting more from human to human. Many cases of SARS CoV-1 may have gone unreported because data management and information flow was not as efficient as it is today. Besides, compared to COVID-19, it took the Chinese government longer to share information globally regarding the 2002/3 case of SARS. It was less invasive but seemingly more lethal given that COVID-19 has killed an average of 3.5 to 4 per cent of those infected. There were fewer human to human infections that occurred, and these were mostly in medical facilities due to improper protective gear. Similarly, MERS, another zoonotic coronavirus coded MERS-CoV (from camels), which emanated from Saudi Arabia in 2012, spread to other countries but less widely. It had 2,519 cumulative cases globally from 2012 to 31st Jan 2020, with 866 associated deaths (34%) . Like SARS COV-1, MERS has limited human to human spread, most infections being in health facilities due to poor protective measures during treatment. ZIKA virus, which spread across South America and parts of Asia is a vector borne virus, transmitted through aedes mosquito, the same way as the chikungunya virus, Japanese encephalitis, dengue and yellow fever. Though ZIKA has no known vaccine, it is easier to control since the transmitter mosquitoes are limited in spread. Ebola Haemorrhagic Fever (EHF) spreads through contact with body fluids. It is highly lethal since it kills from 25 to 90 per cent (average 50%) of those infected. However, its epicentre in small African countries makes the disease easier to contain in terms of global spread unlike China, which is quickly becoming the heartbeat of the world.

It is also important to note that it takes a while to come up with a vaccine. There is no proven vaccine or treatment for the COVID-19, but several medicaments are being used including 'Cycloferon' produced and used in Russia to treat major viral and bacterial infections including influenza, acute respiratory viral infections and tuberculosis. Russia is using the medicine to treat its few cases of COVID-19, and even offered to give the medicine to the Philippines free. The drug has been used in China for COVID-19 treatment and is said to be "highly-effective" with positively encouraging outcomes. A combination of ARVs (e.g. lopinavir boosted with ritonavir LPV/r) are also being used with some degree of efficacy. Egypt, India, Israel and the USA announced development of vaccines and treatment medicines, which must undergo clinical trials according to the WHO processes (which take many months) before they can be used on humans. For example it took more than 20 years of research and numerous handles of funding and lack of interest to develop Ervebo the Ebola vaccine (rVSV-ZEBOV), but a record less than one year of clinical trials on humans in the face of the 2013/14 outbreak in Guinea, Liberia and Sierra Leone that saw the vaccine tried while also saving lives. It was used again in the 2018 outbreak in Equator Province, Congo under a "compassionate use" protocol given by the WHO when there is no approved therapy. Whether the same could apply to COVID-19 with the vaccines that various countries have developed is yet to be known since clinical trials are mandatory to establish safety, efficacy, risks and benefits.

Finally, global coordination and cooperation is crucial in combating COVID-19. With over 170 countries having confirmed cases, COVID-19 has brought a unique relationship between countries worldwide, where borders are closing and rather than bring out political backrush, it is received well and taken as an act of wisdom. No country has attempted to send back a case on the ground that they are having a contagious disease and cannot therefore be allowed in. Instead help and support is immediately offered, with all agreeing that the best way to tackle the COVID-19 menace is to test and test and test, trace contacts, isolate and quarantine. This is the only way to separate the infected and stop the spread. Countries are even offering each other's medicines and healthcare personnel to help deal with the pandemic. Although some

countries took the outbreak more seriously and have managed to have fewer casualties than others, all are realizing soon enough that delayed action is extremely costly in terms of lost lives. The WHO set up a data tracking centre and John Hopkins University is obtaining data from WHO, CDC, ECDC among others to facilitate a daily data update by country, showing total number of infections, deaths and recoveries.

COVID-19 is serious, lethal and unselective. Both the Government and members of the public have a role to play in containing the spread of the virus. While supporting research to find a vaccine and a cure for COVID-19, the Government's major role is provision of healthcare services including testing, tracking contacts, isolating confirmed and suspected cases, providing treatment and protective resources especially to healthcare personnel, other hospital workers and the public. Additionally, the Government must play the role of giving information and directives to be observed and ensuring those not obeying the directives/breaking the laid down rules and regulations are dealt with appropriately. The Government should also strive to provide social protection to all those likely to suffer hunger and house evictions due to failed businesses and lost jobs during this difficult period. The individuals' role is to observe laid down rules, self-quarantine and observe self-hygiene that ensures they do not get infected, taking full responsibility to ensure that if exposed or infected, they protect others from getting infected. If each plays their respective role effectively, then Kenya will flatten the rate of infection to a manageable level and the virus spread will be curtailed eventually.

NATIONAL ASSEMBLY BILLS

1. **The Public Finance Management (Amendment) Bill, 2020** was gazetted for introduction to the National Assembly on 4th March 2020. The principal object of this Bill is to amend the Public Finance Management Act (No. 18 of 2012) to empower the Parliamentary Service Commission to establish a Fund for Parliament or a House of Parliament. The Bill further seeks to amend the Act to require the approval of the National Assembly on borrowing and guaranteeing of loans by the National Government. In particular, it seeks to provide that the National Government shall only borrow money for the budget approved by the National Assembly, and for allocations of loans approved by the National Assembly.

2. **The Division of Revenue Bill, 2020** was gazetted for introduction into the National Assembly on 9th March 2020. The principal object of this Bill is to provide for the equitable division of revenue raised nationally among the national and county levels of government as required by Article 218 of the Constitution.

3. **The Kenya National Library Service Bill, 2020** was gazetted for introduction into the National Assembly on 20th March 2020. The main object of this Bill is to give effect to the Constitution to promote all forms of national and cultural expression through literature, the arts, traditional celebrations, science, communication, information, mass media, publications, libraries and other cultural heritage. Among others, the Bill provides for the establishment of the Kenya National Library Service, provides for the functions of the Kenya National Library Service and establishes the Board of the Kenya National Library Service. Further, the Bill seeks to repeal the Kenya National Library Service Board Act (Cap. 225).

4. **The Tax Laws Amendment Bill, 2020** was gazetted for introduction into the National Assembly on 30th March 2020. The Bill proposes amendments to the following tax-related statutes: The Income Tax Act (Cap. 470), the Value Added Tax Act, 2013 (No. 35 of 2013), the Excise Duty Act, 2015 (No. 23 of 2015), the Tax Procedures Act, 2015 (No. 29 of 2015), the Miscellaneous Fees and Levies Act, 2016 (No. 29 of 2016) and the Kenya Revenue Authority Act, 1995 (No. 2 of 1995). Some of the key proposals are to reduce the individual top tax rate and resident corporate tax rate. This will increase disposable income for individuals to enhance consumption and enhance investments for companies.

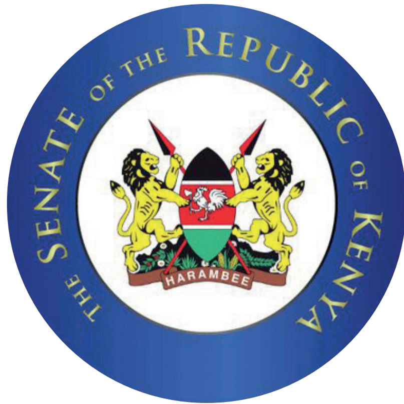
SENATE BILLS

1. **The Law of Succession (Amendment) Bill, 2020 ("the Bill")** was gazetted for introduction into the Senate on 17th January 2020. The objectives of the Bill are to align the Law of Succession Act of 1981, Cap 180 of the Laws of Kenya ("**the Law of Succession Act**") to the Constitution 2010, Matrimonial Property Act, 2013 and the Marriage Act, 2014. In addition, the Bill amends the Law of Succession Act to provide for gender equity in succession matters.

   The Bill seeks to amend Section 29 of the Law of Succession Act, which currently implicitly only contemplates property in intestacy as belonging to a man, and the dependants as women and children. Section 29 of the Act currently defines a "dependant" as the wife or wives, or former wife or wives, and the children of the deceased whether or not maintained by the deceased immediately prior to his death. As such, the language used in the Law of Succession Act is not gender neutral. In addition, the current Bill seeks to exclude former wives who are classified as "dependants" under the current Act.

   The Bill also seeks to replace Sections 35 and 36 that refer to "widow" with the word "spouse" to capture all genders. In this regard, the Bill ensures that both widows and widowers lose their life interest in the whole of the remainder of the net estate once they re-marry. The current position is that in cases where the surviving spouse is a widow, such life interest shall be extinguished and terminated upon her re-marriage to any person. However, the provision on determination of life interest upon remarriage applies exclusively to widows, and by extension, to women. It does not apply to widowers or men upon their remarriage. Further, even where an intestate person leaves behind a spouse and a child or children, a surviving spouse holds the estate in trust for the children, subject to a life interest in respect of widows. These limitations do not apply to males/widowers. The Law of Succession Act also requires that upon the remarriage of a widow, the estate which is subject to the life interest devolves upon the surviving children, thereby terminating the widow's interests. In this regard, the Law of Succession Act is *prima facie* discriminatory as the conditions imposed only apply to one gender.

   The Bill further seeks to exclude community land from the ambit of succession. The current Act only excludes agricultural land in 12 districts that have since been recalibrated into counties. They are Tana River, Lamu, Garissa, Wajir, Mandera, Marsabit, Isiolo, Turkana, West Pokot, Samburu, Narok, and Kajiado. With the new Bill, the discriminatory aspects of the Law of Succession Act are expected to be eliminated and aligned with the Constitutional aspirations



under Article 60 to promote equitable access to land and elimination of gender discrimination in law, customs and practices related to land and property in land.

2. **The Prompt Payment Bill, 2020** was gazetted for introduction into the Senate on 28th February 2020. The principal object of this Bill is to put in place a legal framework to facilitate prompt payment for supply of goods, works and services procured by government entities both at the National and County level.

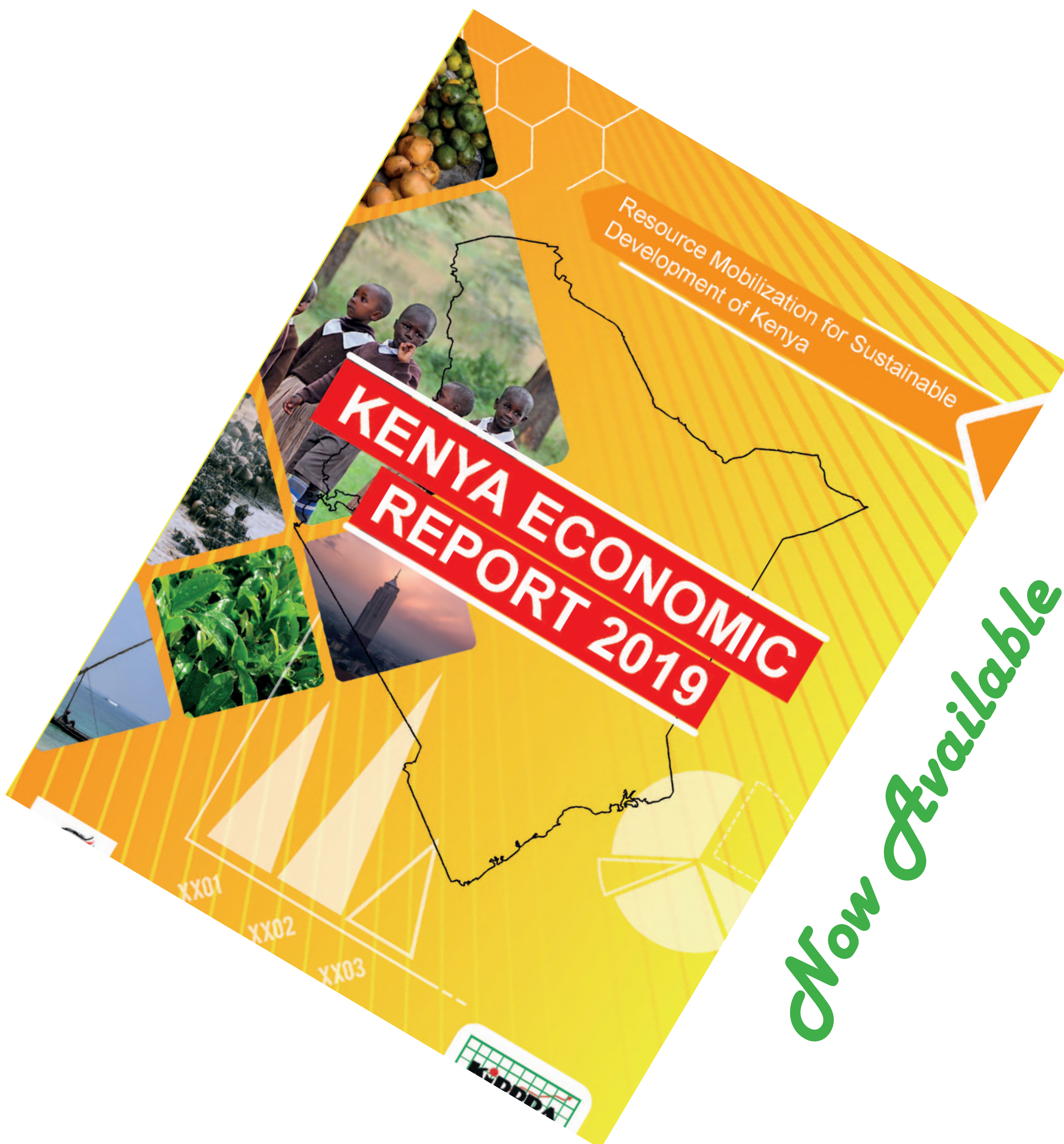
SUBSIDIARY LEGISLATION

1. **The Public Finance Management (COVID-19 Emergency Response Fund) Regulations, 2020** were published by the Cabinet Secretary for the National Treasury and Planning. The regulations establish a Fund to be known as the COVID-19 Emergency Response Fund whose purpose is to mobilize resources for emergency response towards containing the spread, effect and impact of COVID-19 pandemic. This includes to fund the purchase of essential supplies for public hospitals and other related institutions, health professionals and frontline workers, as need arises; to fund programmes and initiatives towards cushioning and provision of emergency relief to the most vulnerable, older and poor persons in urban informal settlements; to support and stimulate micro, small and medium enterprises rendered vulnerable by COVID-19 pandemic; to fund restoration of the facilities being used for compulsory quarantine for safe use by the hosting institutions; to enhance the capacity of the relevant research institutions in handling COVID-19 surveillance; and to fund any other emerging issue arising from the COVID-19 pandemic.

2. **The Value Added Tax (Amendment of the Rate of Tax) Order, 2020 was published by** the Cabinet Secretary for the National Treasury and Planning on 25th March 2020. The Order seeks to amend Section 5(2) (b) of the Value Added Tax Act, 2013 by reducing the rate charged on Value Added Tax (VAT) from 16 per cent to 14 per cent effective 1st April 2020.

3. **The Public Order (State Curfew) Order, 2020** was published by the Cabinet Secretary for Interior and Co-ordination of National Government on 25th March 2020 in response to the global pandemic of COVID-19 to enforce a state curfew. The Order is during the hours of darkness between seven o'clock in the evening and five o'clock in the morning with effect from 27th

March 2020. The Order prohibits public gatherings, processions or movement either alone or as a group during the period of the curfew. However, the Order shall not apply to the following services, personnel or workers: medical professionals and health workers; national security, administration and co-ordination of national government officers; public health and sanitation officers in the County Governments; licensed pharmaceutical companies, pharmacies and drug stores; licensed broadcasters and media houses; Kenya Revenue Authority; Kenya Airports Authority and Licensed Civil Aviation Service Providers; Kenya Civil Aviation Authority; Kenya Airways; Kenya Ports Authority and licensed port operators; power production and distribution companies; water service providers; food and farm produce processors, distributors, dealers, wholesalers, retailers, and transporters, licensed supermarkets, minimarkets and hypermarkets; licensed distributors and retailers of petroleum and oil products and lubricants; licensed telecommunications operators and service providers; licensed banks, financial institutions and payment financial services; fire brigade and emergency response services; licensed security firms; and licensed courier services.

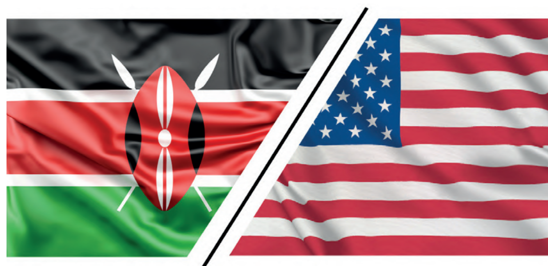


Transfer of functions of Nairobi County to National Government

The key functions of the Nairobi County Government were handed over to the National Government on February 2020. In an agreement signed at State House, Governor Mike Sonko and Devolution Cabinet S ecretary Eugene Wamalwa in concurrence with President Uhuru Kenyatta agreed to ensure Nairobi residents receive services efficiently. A statement by State House spokesperson, Kanze Dena, further stated that the National Government would take over health, transport, public works and planning and development services. Signing of the agreement, pursuant to Article 187 of the Constitution, was also witnessed by Senate Speaker and the Attorney General. The process elicited mixed reaction from members of the public as it is thought to be unconstitutional. However, public participation forums are being conducted, led by the Ministry of Devolution, to sensitize the public on the transfer of functions.

Developments in the energy sector

The Energy and Petroleum Regulatory Authority (EPRA) gazetted a new class of retail electricity prices in February 2020 aimed at making Kenya's power costs more competitive. The new tariffs lower the price for large consumers in the manufacturing and commercial sectors to Ksh 7.99 per kilowatt hour (kWh) from Ksh 10.10 per unit. Firms operating in special economic zones will be charged Ksh 5 per kWh from the current rate of Ksh 10.10 and Ksh 12. The lower power tariffs are expected to stimulate activity in the manufacturing sector and bolster economic growth and job creation as planned in the "Big Four" agenda. Other initiatives by the Government to address the cost of power have included rebates and off-peak tariffs.



Kenya–USA Free Trade Agreement

The intention to start formal talks for Kenya–USA Free Trade Agreement was met with mixed reactions both from the country and the region at large. The move was welcomed based on expected gains such as expansion of markets for Kenya's goods and services, and the increase in foreign direct Investment. However, the agreement was perceived to potentially constrain growth in some local industries as a result of the market being flooded by imports of goods from the US, which would compete unfavourably with local goods in terms of prices. The pursuit of a trade agreement between the United States and Kenya marks a shift in US policy towards Africa. This is the latest move by President Trump's aggressive push for more bilateral trade deals. The Free Trade Agreement (FTA) between Kenya and the US will be the first FTA with a Sub-Saharan African country and the second on the continent after the Morocco-US FTA which came into effect in 2006. The Trump's administration hopes that an FTA with Kenya would be a counterweight to China's growing role across Africa and a model for more bilateral trade deals with other countries on the continent.

Kenya and the United States of America sign Air Transport Agreement

Kenya and USA signed an amendment to the US-Kenya Air Transport Agreement on 5th February 2020, which adds seventh-freedom traffic rights for all-cargo operations to the bilateral Air Transport Agreement. It will enter into force following an exchange of diplomatic notes. It has been applied on the basis of comity and reciprocity since it was negotiated on 4th December 2019. The Amendment allows US all-cargo airlines to fly between Kenya and a third nation without needing to stop in the United States, an important right if operating a cargo hub. Kenyan all-cargo carriers have reciprocal rights to serve the United States. This Amendment further expands Kenya's strong economic and commercial partnership while creating new opportunities for all-cargo airlines, exporters, and consumers. This Amendment between the United States and Kenya is also a step forward in liberalizing the international civil aviation sector in Africa.

The African Continental Free Trade Area (AfCFTA) Report for Eastern Africa

The African Continental Free Trade Area (AfCFTA) Report for Eastern Africa was launched on 5th March 2020 in Nairobi. The objective of the meeting was not only the launch of the AfCFTA Report but was also a forum for policy dialogue in which various speakers and panellists expounded on the prospects of the AfCFTA. The meeting was attended by over 130 participants from Kenya, Ethiopia, Rwanda, Burundi, Tanzania, South Sudan and Somaliland. High level state officials from the region and senior officials from the United Nations Economic Commission for Africa (UNECA) regional office and officers from TradeMark East Africa graced the launch. Other participants were mainly from Kenya Ministries, Departments and Agencies (MDAs), East African Community, African Union, Common Market for Eastern and Southern Africa (COMESA), private sector, universities, non-governmental organizations (NGOs) and international organizations based in Nairobi. The policy dialogue aimed at expounding the potential of AfCFTA for Africa's intra-trade and investment; providing new trade governance in Africa; creation of regional value chains; enhancing connectivity in Africa; job creation for the youth; growing economies and balanced development. In addition, it focused on the potential of the textiles sector, agro-processing sub-sector, among others. Generally, it is expected that implementation of the AfCFTA could result in welfare gains amounting to US$ 1.8 billion for East Africa, boosting intra-African exports by more than US$ 1.1 billion and creating more than 2 million new jobs.

IMF, World Bank clear Somalia for debt relief

Somalia's efforts to restore stability, engage with creditors, and adopt a poverty reduction strategy were considered as necessary steps to begin receiving debt relief by the International Monetary Fund (IMF) and the World Bank. As such, the debt relief by the two international financial institutions will allow Somalia to irrevocably lower its US$ 5.2 billion in external debt to around US$ 557 million. The relief is expected to normalize Somalia's relations with the world after 30 years outside the international financial system, according to IMF and the World Bank. The country becomes the 37th country to reach the "Decision Point" under the enhanced Heavily-Indebted Poor Countries (HIPC) initiative. In addition to the debt relief, the IMF Executive Board approved a new three-year US$ 395 million financing arrangement for Somalia under its Extended Credit Facility (ECF) and Extended Fund Facility (EFF). This is intended to help Somali communities affected by flooding, the locust invasion and prepare for the Coronavirus threat.

Brexit complicates European Union budget plans

The UK, which has been one of the key contributors to the European Union (EU), left the bloc on 31st January 2020. The UK's net contribution to the EU in the last few years has been around US$ 10.1 billion per year. This implies that the departure could leave the group with a shortfall of about US$ 71.3 billion over the next seven years. As such, the remaining 27 EU countries have held emergency meetings to agree on the next budget as the bloc already faces a deficit of between US$ 64.7 and US$ 81.0 billion due to Brexit. The EU's budget is usually used to finance policies across the bloc, ranging from developing rural areas, security and the promotion of human rights. However, the EU countries are currently facing a difficult time figuring out how much money to allocate to the different policy aims. During an exclusive interview with CNBC, Johannes Hahn, Commissioner for the Budget and Administration, told CNBC that the EU is already "running late" with the budgeting process. He alluded that any further significant delay would have an impact on the start of the EU projects that are due to receive funding. As such, the European leaders need a consensus to approve the next seven-year spending plan.

Energy crisis as oil prices fall

The oil crash deepened in the last weeks of March, sending prices to an 18-year low in a stark of demonstration of how the Coronavirus is crippling fuel demand and leaving consumers unable to take advantage of the pump. The global oil price fell to lows of US$ 25 a barrel the week ending 27th March 2020 from more than US$ 65 at the start of the year. The fall in demand due to the virus creates surplus that risks overwhelming storage capacity. Oil storage levels across the world's storage facilities have risen to three-quarters full on average since January shutdown of major refineries in China's industrial heartlands. As such, the world may soon run out of space to store extra oil as Saudi Arabia prepares to increase its fossils fuel production even as global demand for energy continues to fall due to the COVID-19 pandemic. Further, the world's oversupply of oil is expected to balloon in the month of April as the agreement between OPEC oil cartels and Russia to hold back oil production comes to an end. The end of the agreement allows Saudi Arabia, OPEC's *de facto* leader, to increase oil production in a bid to secure a greater share of the market. The oil price war is expected to raise the world's oil production by more than 2.5 million barrels of oil a day, outpacing demand for crude by 6 million barrels of oil a day, according to Rystad Energy analysts. As such, Rystad has warned the industry that the oil price may further fall to US$ 10 a barrel this year.

Stakeholder validation workshop on Kenya Economic Report (KER) 2020

On 6th March 2020, KIPPRA organized a stakeholder validation workshop on Kenya Economic Report (KER) 2020 whose theme is "Creating an Enabling Environment for Inclusive Growth in Kenya". It was noted that the Government is focusing on inclusion, through the "Big Four" agenda and strengthening social protection. Thus, the objective of the workshop was to harvest inputs and comments to ensure the findings of the report are relevant, timely and factual. The forum provided by the workshop also ensures public participation in policy making processes and actualizing the KIPPRA motto of "Thinking Policy Together".

The validation workshop was well attended with a total of 78 participants attending the workshop. Some of the institutions represented included the Commission on Revenue Allocation (CRA); Ministry of East African Community and Regional Development; Energy and Petroleum Regulatory Authority; International Monetary Fund; Inter-Governmental Relations and Technical Committee (IGRTC); Kenya Bankers Association (KBA); Kenya School of Government (KSG); Ministry of Agriculture (State Department of Livestock); Ministry of Devolution and ASALs; Ministry of Energy; Ministry of Foreign Affairs; NGOs Coordination Board; State Department for Shipping and Maritime; Science, Technology and Innovation (STI) Directorate; the National Treasury; State Department for Social Protection; State Department for Interior; State Department of Planning; State Department of Trade; State Department of Industrialization; State Department for Youth; Ministry of Defence; Ministry of ICT; Agricultural Finance Authority; Tegemeo Institute; State Law Office; Kenya Law Reform Commission; and the World Bank. The diversity of participants represented in the workshop underscored the importance of peer learning. As a way forward, a key highlight was that the report should capture systemic risks facing the country, such as the Coronavirus and the locusts invasion. Further, the report should emphasize on the importance of upholding the rule of law. The report is expected to be finalized by 31st March 2020.

Dissemination workshop on County Business Environment for Micro and Small Enterprises (MSEs) in West Pokot County

On 14th February 2020, KIPPRA held a dissemination workshop on the flagship study on 'Business Environment for MSEs' across counties. The focus was to disseminate the report and policy brief for West Pokot County. During the presentation, KIPPRA highlighted the importance of the MSE sector to the economy in terms of employment creation and income generation. To that effect, it was imperative for key issues that require policy interventions to be elucidated to create an enabling environment for the sector. Participants noted that the County Government was an enabler in creating a conducive environment for business. MSEs were encouraged to formalize, hence pay their rightful share of taxes but also demand services from the County Government.

Stakeholder validation workshop on Kenya Economic Report (KER) 2020

KIPPRA undertakes training on public policy making process in Machakos and Mombasa counties

On 20th -24th January 2020 and 24th -28th February 2020, KIPPRA undertook training on Public Policy Making Process (PPMP) in Mombasa and Machakos counties, respectively. The course is designed to introduce participants to public policy making by the Government, on behalf of the citizens. The training covered the Public Policy Making Process module and included key elements on creating a public policy, role of stakeholders in public policy, participation, problem identification, agenda setting, policy design, policy implementation, policy monitoring and evaluation. The Modules comprised intensive learning sessions conducted by KIPPRA staff in form of lectures, group discussions, question and answer sessions and case studies. Participants in the Mombasa session were drawn from the Retirement Benefits Authority (RBA), Energy and Petroleum Regulatory Authority (EPRA), county officials from Samburu, Kajiado, Makueni and Kilifi while participants for the Machakos session comprised technical staff from various departments from the County Government of Machakos.

KIPPRA undertakes capacity building on macroeconomic modelling, forecasting and tools for policy analysis in Makueni and Kisumu counties

KIPPRA undertook macroeconomic modelling and forecasting training from 13th -17th January 2020 and 17th-21st February 2020 in Makueni and Kisumu counties, respectively. KIPPRA also undertook training on tools for policy analysis from 9th -13th March 2020. The need for training was identified in the report on 'Assessment of the Public Expenditure and Financial Accountability' done by KIPPRA. In the report, Makueni County identified the need to enhance their capacity in macro-modelling and macro fiscal sensitivity analysis, with the aim of helping the county develop a macroeconomic modelling tool at the county level.

The macroeconomic modelling training was tailor made for Makueni County officials targeting officers working in Planning, Budget, Statistics and Revenue Directorates in the County Treasury. Part of the training was on the KIPPRA-Treasury Macroeconomic Model (KTMM), which is used for policy analysis, forecasting and simulations by the State Department for Planning and KIPPRA. The training in Kisumu targeted economists in various Central Planning Units of the County Government of Kisumu. Moving forward, KIPPRA will support the department to develop a macroeconomic tool for the County in a series of engagements with the participants.

KIPPRA hosts KIPPRA Mentorship Programme for Universities at the University of Eldoret

On 13th of February 2020, KIPPRA hosted the KIPPRA Mentorship Programme for Universities (KMPUS) at the University of Eldoret. The KMPUS strives to create awareness and develop capacity of the university community in understanding the public policy making process. Since its inception in 2018, KMPUS has been rolled out in seven (7) other public universities. The theme for the event was the "Big Four" agenda. University students from Baraton University, Moi University and University of Nairobi, among others, were in attendance. Students participated in an essay competition on the "Big Four" agenda and 69 students were awarded with certificates for their exemplary and innovative essays. To enhance further engagements, the management of KIPPRA and University of Eldoret signed a Memorandum of Understanding (MOU).

FORTHCOMING KIPPRA PUBLICATIONS

Launch of Global Go-to Think Tank 2019 Index Report

On 30th January 2020, KIPPRA hosted the launch of the 14th Global Go-To Think Tanks Index report. The annual report ranked KIPPRA fifth in Sub-Saharan Africa, an improvement from position six in the previous year. The Institute also improved in the worldwide, non-US category where it was ranked 127th compared to previous year's 135th. The Global Go-To-Think Tank Index Report is an annual document produced by the Think Tank and Civil Societies Programme (TTSCP) of the Lauder Institute at the University of Pennsylvania. The index ranks the world's leading think tanks in a variety of categories. TTCSP's key goal is to increase the profile and performance of think tanks and raise the public awareness of the important role think tanks play in governments and civil societies around the world. The theme for this year's launch is: Why Think Tanks and Policy Advice Will Still Matter in 2040. In attendance were representatives from various think-tanks operating in Kenya.

KIPPRA hosts seminar with visiting scholar, Prof. Kunal Sen

On 27th and 28th February 2020, KIPPRA hosted a seminar with a visiting scholar, Professor Sen Kunal, who is the Chief Executive Officer, United Nations University Helsinki Finland (UNU-WIDER). Prof. Kunal presented a research paper titled "Informal work in Sub-Saharan Africa Dead End or Steppingstone?". On the second day, Prof. Kunal trained KIPPRA staff on impact evaluation for policy analysis. Prof. Kunal is a leading international expert on the political economy of growth and development. He has performed extensive research on international finance, the political economy determinants of inclusive growth, the dynamics of poverty, social exclusion, female labour force participation, and the informal sector in developing economies.

KIPPRA pursues collaboration with Nyandarua County Government

On 3rd March 2020, KIPPRA, led by the Executive Director Dr Rose Ngugi, visited Nyandarua County and met with the Governor, Mr Francis Kimemia. Discussions centred around areas of collaboration, particularly where the county could benefit from KIPPRA's capacity building and research trainings in public policy formulation processes and socio-economic analysis. It was noted that Nyandarua County's socio-economic transformation roadmap was encapsulated in the 2018-2022 County Integrated Development Plan, which is in its second year of implementation and KIPPRA could train county staff on analysis of existing socio-economic factors to inform development programmes. It was agreed that KIPPRA could build the capacity of the county technical officers in economic research, modelling and forecasting and public policy making process. KIPPRA also offered to support through findings obtained from various recent researches on MSMEs and the informal sector. Nyandarua County Government representatives expressed interest in partnering with KIPPRA in its 2021 annual conference, which will focus on innovation and technology.

Visit to St Francis School for the Visually Impaired

On 14th February 2020, KIPPRA Board members, the Executive Director and KIPPRA National Values Committee visited St Francis School for the Visually Impaired in West Pokot-Kapenguria. The KIPPRA team met the School's board members for both primary and high school, pupils and students. The Headteacher and Principal shared the challenges faced at the school, and accomplishments by the students. The KIPPRA team also met one of the students who KIPPRA sponsored for a trip to Morocco to attend a marathon. The KIPPRA team held a session on national values and presented to the school and students a Braille booklet on National Values and Principles of Governance. The KIPPRA team concluded the visit by planting trees at the school's compound.

Visit to Kipsaina Primary School in Elgeyo Marakwet to assess learners with disability

On 17th March 2020 KIPPRA in collaboration with the National Council for Persons With Disability (NCPWD), visited Kipsaina Primary School in Elgeyo Marakwet County as part of preparations for the 3rd KIPPRA annual regional conference planned for 17th-19th June, 2020. The conference will focus on enhancing inclusivity by empowering persons with disability. Kipsaina Primary School integrates learners

with various physical disabilities. During the event, NCPWD doctors assessed learners for issuance of disability cards. The visit also provided useful information for a CSR event KIPPRA plans to undertake later to support learners with disability. A total of 29 learners were assessed and their reports forwarded to the NCPWD office for processing of cards.

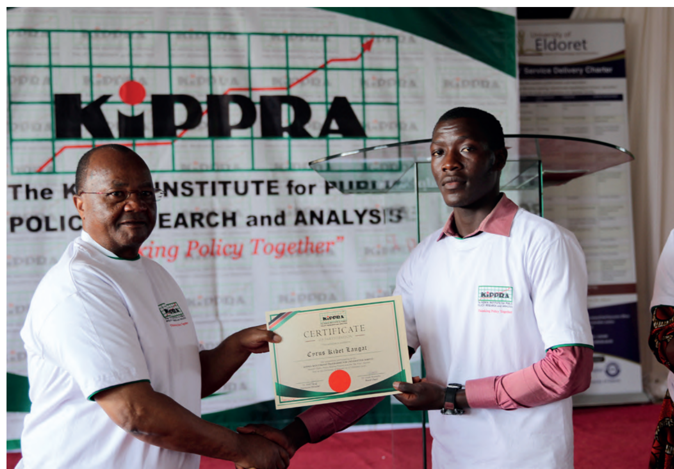
MOMENTS ON CAMERA

Beyond Zero Marathon

County Business Environment for MSEs Dissemination Workshop in West Pokot

KIPPRA Mentorship Programme for Universities

KIPPRA Board Chair Dr Linda Musumba issues a certificate of participation to a student



KIPPRA Board Director Prof. Marangu Marete issues a certificate to a student

KIPPRA Board Directors and Executive Director, and University of Eldoret Management staff after signing of MOU between the two institutions

Students participating in the mentorship event.

Walter Mong'are, aka Nyambane, was the MC at the event. Walter oversees Youth Programmes in the Office of the President.

ABOUT KIPPRA

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

KIPPRA acknowledges generous support from the Government of Kenya and all other partners in research and policy analysis, and in capacity building either as core support, or support to specific projects.

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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