

AFRICA RISK CONSULTING

Kenya Monthly Briefing September 2021

Kenya Summary 13 September 2021

President Uhuru Kenyatta (2013-present) and his administration focus on procuring vaccines as cases of Covid-19 continue to rise in Kenya. Kenya's main sources of tourists, including the United Kingdom (UK) and the United States (US), continue to place restrictions on travellers to and from Kenya. Kenya continues to make progress in winning favour with regional neighbours including Tanzania and the self-declared semi-autonomous state of Somaliland. Kenya's growing closeness to Somaliland is likely to increase friction with Somalia. Terrorism is front of mind in Kenya with multiple arrests made in Mombasa on 30 August. However, Kenya has made progress in protecting its maritime borders, with the International Maritime Organisation (IMO) announcing that Kenyan waters are no longer classified as a high-risk area.

More vaccines arrive as nationwide curfew is extended

President **Uhuru Kenyatta** (2013-present) and his administration are increasing their focus on procuring additional **Covid-19** vaccines as confirmed Covid-19-related fatalities pandemic surpass 4,800 and confirmed Covid-19 cases exceed 200,000 in **Kenya's** population of roughly 55 million.¹ In the past month, the government has received 800,000 doses of **Moderna** Covid-19 vaccine from the **United States (US)**² as well as 358,000 doses of **AstraZeneca** Covid-19 vaccine from **Canada**.³

While the vaccination programme continues, Kenyatta is continuing to impose curfews, announcing on 18 August the extension of the 10pm–6am national curfew for 60 days due to an increasing rate of new Covid-19 cases.⁴ Political rallies, including the important council of governors meeting, have been suspended in line with an on-going ban on public gatherings.⁵

Despite the government's efforts to control the spread of the virus and attempts to inoculate more citizens against Covid-19, Kenyans continue to be restricted from international travel. The **United Kingdom (UK)** confirmed on 27 August that Kenya remains on its "red list" amid concerns about the spread of Covid-19 in the country.⁶ This followed a 12 August announcement by the US warning its citizens to avoid all non-essential travel to Kenya due to the status of Covid-19 in the country.⁷ On-going travel restrictions during what is traditionally Kenya's peak tourism season will have significant economic ramifications for the country.

Partially state-owned **Kenya Airways** continues to struggle with the treasury's refusal of the airline's request for a financial bailout of \$499.77m.⁸ However, Kenya Airways CEO **Allan Kilavuka** acknowledged the KSh25m (\$227,270) in support that the airline has received so far, "considering the many industries government is supporting in these unprecedented times".⁹ Given continuing global restrictions on international tourism, further complicated by Kenya's position on the UK and US red lists, the struggling airline is likely to face further financial turbulence.

¹ The Nation, 8 Sep 2021

² The East African, 23 Aug 2021

³ The Nation, 2 Sep 2021

⁴ The Nation, 18 Aug 2021

⁵ The Nation, 19 Aug 2021

⁶ The East African, 27 Aug 2021

⁷ The East African, 12 Aug 2021

⁸ The East African, 11 Sep 2021

⁹ The East African, 11 Sep 2021

With the next national election less than a year away, it is likely that decision making with regards to the pandemic will become increasingly politicised. The ban on gatherings, including political gatherings, is likely to be lifted as the campaign kicks off and the unpopular curfews relaxed or removed in a bid to secure votes. Increased global production of Covid-19 vaccines is likely to assist countries such as Kenya, which remain behind developed countries in their rates of vaccinations. However, the push in parts of **Europe** for booster shots could jeopardise the willingness of some countries to donate vaccines to developing countries.

Kenyatta makes regional overtures ...

President Uhuru Kenyatta continues to foster relations with Kenya's neighbours. On 25 August, **Tanzania** and Kenya set a December deadline for the two countries to resolve outstanding disputes over non-tariff barriers.¹⁰ The initial commitments were made when Tanzania's President **Samia Suluhu Hassan** (2021-present) made a two-day state visit to Kenya on 4 and 5 May.¹¹ The announcement of the December deadline came after the **Joint Commission on Cooperation (JCC)**, a bilateral group tasked with working on cross-border trade, met for five days in **Nairobi**. The JCC is co-chaired by the foreign affairs ministers of Kenya and Tanzania, **Raychelle Omamo** and **Liberata Mulamula** respectively, with the trade committee led by the countries' trade ministers, **Betty Maina** of Kenya and Tanzania's **Kitila Mkumbo**. Following the meeting, a joint statement noted the progress to date, stating:

*"On trade, the JCC took note of the progress made by the Joint Trade Committee in addressing 30 out of 64 challenges facing bilateral relations and urged the resolution of the remaining 34 issues before the end of December 2021."*¹²

The JCC is working to allow the two countries to have preferential access to each other's markets. As part of this commitment, Tanzania is installing a single window system, as Kenya has already done, to allow for faster clearance of goods between the two countries.

Kenya has also extended a diplomatic olive branch to the self-declared independent state of **Somaliland**, with the foreign affairs ministry announcing on 7 September that it was appointing **Benson Mwaliko** to head its liaison office in Somaliland.¹³ Mwaliko will be accompanied by three officers to represent Kenya in Somaliland, home to an estimated 10,000 Kenyans.¹⁴ However, the decision is likely to offend **Somalia**, which does not recognise Somaliland's pushes for autonomy. Somalia has previously accused Kenya of interfering in the semi-autonomous area of **Jubaland**, leading to an increasingly fractious relationship between the two countries. Kenya's foreign affairs ministry only announced in June that Kenya will re-open its embassy in **Mogadishu**¹⁵ following the 10 June announcement that the three-month ban imposed by the **Kenya Civil Aviation Authority (KCAA)** on direct flights between the two countries had been reversed.¹⁶ Kenya had announced on 17 May that it would close its borders to Somalia as part of measures to curb spread of Covid-19.

... as concern rises over regional risk of terrorism

Concerns relating to the threat of terrorism are front of mind with the 30 August arrests of multiple terror suspects in **Mombasa**. The arrests resulted in enhanced security on the Kenya-Tanzania border in **Kwale** county.¹⁷ The arrests took place on the same day that police in Tanzania shot and killed Tanzanian citizen **Hamza Mohamed** after he shot four people dead in close proximity to the **French**

¹⁰ The East African, 25 Aug 2021

¹¹ Africa News, 4 May 2021

¹² The East African, 24 Aug 2021

¹³ The East African, 7 Sep 2021

¹⁴ Statecraft, 7 Sep 2021

¹⁵ The East African, 15 Jun 2021

¹⁶ The East African, 10 Jun 2021

¹⁷ The East African, 30 Aug 2021

embassy in **Dar es Salaam**.¹⁸ However, despite initial speculation, there is nothing to suggest that the arrests in Kenya are linked to the shooting in Tanzania.

Security alerts have been heightened more broadly in Kenya. Cabinet secretary for the interior **Fred Matiangi** announced on 10 September the creation of **Kirima** as a new administrative sub-county of **Laikipia** in an attempt to tackle instability.¹⁹

While concerns of instability have increased, progress has been made on the security of Kenya's maritime waters, confirmed with the 9 September announcement by the **International Maritime Organisation (IMO)** that the country is no longer classified as a high-risk area by the global shipping body. In response to the decision, the ministry of foreign affairs noted:

*"Kenya lauds the [Best Management Practice] BMP-5 for their decision and cooperation during the intense engagements which resulted in re-designation of Kenya maritime waters to reflect improved security. This decision frees Kenya from what had become a major restriction to the shipping industry, it also frees the rest of East Africa, and drastically lowers costs of supplies from all over the world."*²⁰

Kenya was designated as a high-risk area in 2009 following multiple acts of piracy in the **Indian Ocean** and in Kenyan maritime water specifically. The designation as a high-risk area saw cargo ships take longer routes, and some ships forced to hire additional and costly security. It is hoped that Kenya's removal from the list will save the country significant amounts in insurance premiums, security expenditure and make the country's ports more attractive for international cargo.²¹

¹⁸ The Citizen, 25 Aug 2021

¹⁹ The Nation, 10 Sep 2021

²⁰ Xinhua, 9 Sep 2021

²¹ Xinhua, 9 Sep 2021

Planner

29 Sep 2021 Nairobi (**Kenya**) **Central Bank of Kenya** Monetary Policy Committee meeting;
2022 (**Kenya**) General elections

Chronology

11 Sep 2021 Nairobi (**Kenya**) *The East African*. The treasury has denied partially state-owned **Kenya Airways'** proposal for a bailout of \$499.77m;

10 Sep 2021 Nairobi (**Kenya**) *The Nation*. Cabinet secretary for the interior **Fred Matiangi** announces the creation of **Kirima** as a new administrative sub-county of **Laikipia** in an attempt to tackle instability;

10 Sep 2021 Nairobi (**Kenya**) *The Nation*. **Jambojet**, subsidiary of partially state-owned **Kenya Airways**, announces twice weekly direct flights between **Nairobi** and **Goma**;

9 Sep 2021 Nairobi (**Kenya**) *The East African*. The **International Maritime Organisation (IMO)** has removed **Kenya** from its designated high-risk areas;

8 Sep 2021 Nairobi (**Kenya**) *The Nation*. President **Uhuru Kenyatta** declares drought as a national disaster;

8 Sep 2021 Nairobi (**Kenya**) *Business Daily*. The **United Arab Emirates (UAE)** plans to sign an economic partnership agreement with **Kenya** as it seeks to target more emerging markets;

8 Sep 2021 Nairobi (**Kenya**) *Business Daily*. The **Kenya Ports Authority** announces that it needs \$158 m to complete construction of the two berths at **Lamu**;

7 Sep 2021 Nairobi (**Kenya**) *The East African*. The ministry of foreign affairs appoints **Benson Mwaliko** to head its liaison office in **Somaliland**;

2 Sep 2021 Nairobi (**Kenya**) *The Nation*. **Kenya** receives 358,000 doses of **AstraZeneca Covid-19** vaccine from **Canada**;

30 Aug 2021 Nairobi (**Kenya**) *The East African*. Security has been enhanced on the **Kenya-Tanzania** border in **Kwale county** following the arrest of terror suspects in **Mombasa**;

27 Aug 2021 Nairobi (**Kenya**) *The East African*. The **United Kingdom (UK)** has maintained **Kenya** on its "red list" of countries amid concerns over the spread of **Covid-19** in the country;

27 Aug 2021 Nairobi (**Kenya**) *The Nation*. The registrar of political parties, **Ann Nderitu**, announces that the opposition coalition of **Nasa** has been officially dissolved;

25 Aug 2021 Nairobi (**Kenya**) *The East African*. **Tanzania** and **Kenya** set a December deadline for the two countries to resolve outstanding disputes over non-tariff barriers;

26 Aug 2021 Nairobi (**Kenya**) *The East African*. Kenyan **KCB Group Limited** completes its acquisition of **Rwandan Banque Populaire du Rwanda (BPR)** from **United Kingdom**-headquartered **Atlas Mara Limited**;

23 Aug 2021 Nairobi (**Kenya**) *The East African*. **Kenya** receives 800,000 doses of **Moderna Covid-19** vaccine from the **United States**;

20 Aug 2021 Nairobi (**Kenya**) *The East African*. The **Court of Appeal** upholds the decision that efforts to change the constitution under the **Building Bridges Initiative** are unconstitutional;

19 Aug 2021 Nairobi (**Kenya**) *The Nation*. The council of governors' meeting is suspended due to a ban on public gatherings;

18 Aug 2021 Nairobi (**Kenya**) *The Nation*. President **Uhuru Kenyatta** extends the 10pm – 6am national curfew for 60 days due to rising numbers of **Covid-19** cases;

17 Aug 2021 **Nairobi (Kenya)** *The East African*. More than 3% of contributors to local pension funds have either suspended or ceased making payments, leading to concerns about employees' long-term savings;

16 Aug 2021 **Nairobi (Kenya)** *Business Daily*. Parliament has rejected a proposal to block foreign-owned contractors from bidding on public tenders worth less than KSh 20 billion (\$181.4 m);

13 Aug 2021 **Nairobi (Kenya)** *The Nation*. Confirmed fatalities linked to the **Covid-19** pandemic surpass 4,300 and confirmed cases exceed 200,000;

12 Aug 2021 **Nairobi (Kenya)** *The East African*. The **United States (US)** has issued a new travel advisory warning its citizens to avoid all non-essential travel to **Kenya** due to the status of **Covid-19** in the country.

About Africa Risk Consulting:

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