

AFRICA RISK CONSULTING

Kenya Monthly Briefing March 2022

Kenya Summary 14 March 2022

President Uhuru Kenyatta (2013-present) endorses opposition leader Raila Odinga to become Kenya's next president in the 9 August elections. Kenya votes in favour of a resolution at the United Nations (UN) General Assembly to deplore Russia's actions in Ukraine. The Kenyan government works to repatriate its citizens from Ukraine. Sanctions on Russia are likely to negatively impact Kenya's agriculture sector, specifically tea, coffee, fruit and flowers. The health ministry has removed all government-imposed Covid-19 related restrictions, while United States (US)-based pharmaceutical and biotechnology company Moderna announces it will set up a manufacturing facility in Kenya. An outbreak of yellow fever occurs in Isiolo county, approximately 280 km north of the capital, Nairobi.

Kenyatta endorses Odinga for president

President **Uhuru Kenyatta** (2013-present) and his **Jubilee Party** have officially thrown their support behind the opposition **Orange Democratic Movement** party and its leader, **Raila Odinga**, in the upcoming 9 August elections.¹ The two parties have joined forces under the banner of **Azimio la Umoja**, which translates to “*Quest for Unity*”. Support from Kenyatta and Jubilee is a clear rejection of deputy president **William Ruto**.

This is Odinga's fifth run at the presidency. However, his chances of success are likely bolstered with support of the incumbent president, who himself is barred from running due to constitutionally mandated term limits.

The electoral contest, which will be mainly between Ruto and Odinga, has the potential to see levels of insecurity seen in previous elections. Following the 2007 elections, Kenya experienced an extended period of violence with an estimated 1,100 people killed, the worst violence in recent decades.² Following the most recent 2017 elections, acts of violence and deaths were reported, leading to lingering fears of election-related violence this year.

Kenya feels impact of Ukraine conflict

The Kenyan government has strongly condemned **Russia's** invasion of **Ukraine** on 24 February. In a statement delivered on 22 February, prior to Russia's invasion, Kenya's envoy to the **United Nations (UN)**, **Martin Kimani**, denounced the use of force against Ukraine's territorial integrity and political independence, noting Kenya's concern at the announcement by the Russian Federation to recognise Ukraine's eastern regions of **Donetsk** and **Luhansk** as independent states:

“Let me conclude, Mr. President, by reaffirming Kenya's respect for the territorial integrity of Ukraine within its internationally recognized borders.”³

Kenya reiterated its denouncement of Russia's actions during a vote at the **UN General Assembly** on 2 March to condemn the invasion. Kenya voted in favour of the resolution, making it one of 141 countries to do so, while 35 countries abstained, including **East African Community (EAC)** members **Tanzania**, **Uganda** and **South Sudan**. Several other **African** countries chose to stay neutral, including

¹ Daily Nation, 12 Mar 2022

² Human Rights Watch, 27 Aug 2017

³ Statement to an Emergency Session of the UN Security Council on the Situation in Ukraine, 22 Feb 2022

South Africa, Zimbabwe, Madagascar, Mozambique and Namibia. The only African country to vote against the resolution was **Eritrea**.⁴

Kenya's foreign affairs ministry has been working to evacuate its citizens from Ukraine. On 1 March, it was reported that 78 Kenyans had been evacuated from Ukraine to neighbouring countries following the outbreak of conflict.⁵ The ministry reported on 9 March that it was working to coordinate with **Dr Anatoliy Kovalenko**, Kenya's honorary consul in Ukraine, to evacuate 26 Kenyan students who were on their way to **Lviv**, near the border of Ukraine and **Poland**.⁶ Kenya's embassy in **Vienna (Austria)** is reportedly coordinating evacuation efforts.

The Kenyan government is also no doubt evaluating the economic impact of the conflict. In the short term, there is concern regarding loss of revenue as a result of blocked shipments of tea, coffee, flowers and fruit from Kenya into Russia as a result of sanctions. Interruption of exports is expected to cost Kenya an estimated \$87.5m per year.⁷ The tea market is likely to be hit hard, with Russia the fifth largest consumer of Kenyan tea after **Pakistan, Egypt, the United Kingdom (UK) and the United Arab Emirates (UAE)**.⁸ Kenyans will also begin to feel the impact of higher fuel prices, with the country being a net importer of fuel. As the full extent of sanctions, on both Russia and on prominent Russian businessmen, becomes clearer, the economic impact over the mid- to long term will be easier to quantify.

... as Covid-19 restrictions relax

Following close to two years of restrictions implemented to curb **Covid-19**, Kenya's ministry of health on 11 March announced major changes to restrictions.⁹ The changes come into force as case numbers continue to abate in Kenya, with confirmed cases increasing only slightly and cumulative deaths attributed to Covid-19 standing at 5,639 in Kenya's population of approximately 54 million. It is estimated that 27.7% of Kenyans are fully vaccinated against Covid-19, a higher rate of vaccination than in most countries across the continent.¹⁰

Key changes to Covid-19 regulations include dropping the requirement to wear face masks in public spaces, and in-person worship is allowed for those who are fully vaccinated against Covid-19.¹¹ Public transport can run at full capacity; international arrivals are no longer required to present a negative **PCR** test, although unvaccinated passengers will need to undertake a rapid \$50 test upon arrival at their own expense. Unvaccinated travellers are expected to self-isolate on arrival and travellers entering the country at all points of entry are still required to fill out a travel locator form.¹² The changes come into force as the rate of those testing positive for Covid-19 fell below 0.5%.¹³ In announcing the changes, cabinet secretary for health **Mutahi Kagwe** noted that the ministry's measures, based on guidance from the **World Health Organisation (WHO)**, had saved lives.

*"Kenyans encouraged to wear face masks while attending indoor functions. We should now also see the temperature checks in public places stopped."*¹⁴

While the health ministry announced in December that proof of vaccination would be required to use public transport and enter schools, government offices, restaurants and national parks, the **High Court** suspended this mandate on 14 December on the grounds that many Kenyans who wished to get

⁴ Daily News, 2 Mar 2022

⁵ Nation, 1 Mar 2022

⁶ Star, 9 Mar 2022

⁷ The East African, 4 Mar 2022

⁸ The East African, 4 Mar 2022

⁹ [The Nation, 11 Mar 2022](#)

¹⁰ Nation, 28 Feb 2022

¹¹ The East African, 11 Mar 2022

¹² The East African, 11 Mar 2022

¹³ The Nation, 19 Feb 2022

¹⁴ The East African, 11 Mar 2022

vaccinated had not yet had the opportunity to do so. It is unclear if or how this mandate will be implemented going forward.¹⁵

The changes to Covid regulations come into play as the run-up to the election period heats up, with political rallies organised over the coming months of increasing importance in the lead up to the 9 August election. President Kenyatta will no doubt be hoping to see a rebound in the economy by significantly easing restrictions around Covid-19.

The ongoing pandemic is also a business opportunity for Kenya with **United States**-based pharmaceutical and biotechnology company **Moderna** announcing on 7 March that it will set up a manufacturing facility in Kenya, its first in Africa, to produce messenger RNA (mRNA) vaccines, including Covid-19 vaccines.¹⁶ It is anticipated that Moderna will invest as much as \$500m in the facility, with the aim of supplying up to 500 million doses of mRNA vaccines across the continent each year, commencing as early as 2023.

With business as usual returning to Kenya with the relaxation of Covid-19 restrictions, the economy is still bracing to see the full impact of sanctions on Russia on its economy and key agricultural exports. This, coupled with an election year, indicates that Kenya's economy may still see substantial uncertainty over the coming six to twelve months.

Kenya faces yellow fever outbreak

The ministry of health declared on 5 March an outbreak of yellow fever in **Isiolo County**, approximately 280 km north of the capital, **Nairobi**. There are reports of three deaths, with an additional 15 people recovering in hospital.¹⁷ Yellow fever is a viral infection spread by mosquitoes, and is commonly found in Africa and **Latin America**. While mild cases result in headaches, fever and nausea, serious cases can result in liver, kidney and heart issues and can ultimately cause death. There is no specific treatment for yellow fever; instead, the best way to manage an outbreak is via vaccination. Following the recent outbreak, the health ministry issued a statement to all 47 counties about the risks of yellow fever, and announced plans to roll out a vaccination drive in the high-risk counties of **Wajir, Garissa, Marsabit, Meru, Samburu, Baringo, Elgeyo Marakwet, West Pokot and Turkana**.¹⁸

Following the outbreak in Kenya, there is concern amongst Kenya's neighbours. **Tanzania** has placed additional controls on its border with Kenya. Tanzania will continue requesting proof of yellow fever vaccination from incoming travellers and will also work to undertake a vaccine drive in border communities, particularly among those deemed vulnerable. Tanzania's minister for health, **Ummu Mwalimu**, confirmed that Tanzanian authorities will check mosquito breeding grounds for traces of yellow fever and provide further education to citizens.¹⁹

¹⁵ Aljazeera, 14 Dec 2022

¹⁶ Reuters, 7 Mar 2022

¹⁷ The East African, 5 Mar 2022

¹⁸ Africa news, 7 Mar 2022

¹⁹ The East African, 10 Mar 2022

Planner

29 Mar 2022 **Nairobi (Kenya) Central Bank of Kenya** Monetary Policy Committee meets

9 Apr 2022 **(Kenya)** Deadline for parties planning to field candidates in the August election to submit the names of those running in the primaries;

9 Aug 2022 **(Kenya)** General elections

Chronology

12 Mar 2022 **Nairobi (Kenya) Daily Nation**. An alliance of more than 20 parties, including President **Uhuru Kenyatta's** ruling **Jubilee Party**, endorses Kenyatta's long-time opponent, **Raila Odinga**, for the August 2022 presidential elections;

11 Mar 2022 **Nairobi (Kenya) The East African**. The ministry of health announces that face masks will no longer be mandatory in public spaces;

10 Mar 2022 **Nairobi (Kenya) Xinhua**. President **Uhuru Kenyatta** and **Zimbabwe's** President **Emmerson Mnangagwa** attend press briefing at **State House** in **Nairobi** and announce signing of seven bilateral agreements aimed at strengthening relations between the two countries;

10 Mar 2022 **Nairobi (Kenya) The East African**. Mobile money transfer platform **M-Pesa** exceeds 30 million users in **Kenya** as traders accepting payments through **Lipa na M-Pesa** doubled, cementing **Safaricom's** dominance in digital transactions in the country;

9 Mar 2022 **Nairobi (Kenya) Nation**. The **United States (US)** bans former **Nairobi** governor **Michael Sonko** and his immediate family from travelling to the US due to outstanding claims of corruption;

7 Mar 2022 **Nairobi (Kenya) The East African**. Police have arrested 16 motorbike drivers in **Nairobi** following the sexual assault of a female motorist that made national headlines;

7 Mar 2022 **Nairobi (Kenya) Reuters**. **United States**-based pharmaceutical and biotechnology company **Moderna** says it will set up a manufacturing facility in **Kenya**, its first in **Africa**, to produce messenger RNA (mRNA) vaccines, including **Covid-19** vaccines;

5 Mar 2022 **Nairobi (Kenya) The East African**. The ministry of health declares an outbreak of yellow fever in **Isiolo** county with 20 cases and three reported deaths;

4 Mar 2022 **Nairobi (Kenya) The East African**. **Kenyan** exports to **Russia** valued at approximately \$87m over the next year have been derailed by sanctions;

2 Mar 2022 **Nairobi (Kenya) Business Daily**. **Canada**-headquartered oil exploration company **Africa Oil**, which holds a 25% stake in the **Turkana** exploration project, announces it has insufficient funds to pay for further exploration;

1 Mar 2022 **Nairobi (Kenya) Nation**. 78 **Kenyans** have been evacuated from **Ukraine** to neighbouring countries following the outbreak of conflict;

28 Feb 2022 **Nairobi (Kenya) Daily Nation**. Annual inflation slows to a 16-month low in February, at 5.1% compared with 5.4% in January, on easing food and electricity prices;

28 Feb 2022 **Nairobi (Kenya) Business Daily**. **United States** government renews warning to civilian airlines flying in the **Kenyan** airspace to watch out for possible attacks by militant groups;

24 Feb 2022 **Nairobi (Kenya) The East African**. Gambling is now restricted in **Nairobi** to five-star hotels that house casinos and to the hours of 8pm-6am;

19 Feb 2022 **Nairobi (Kenya) The East African**. **Kenya's** high commissioner to **Nigeria**, **Wilfred Machage**, dies in **Abuja** following a short illness. aged 65;

19 Feb 2022 **Nairobi (Kenya)** *The East African*. **British American Tobacco (BAT) Kenya** pays a record dividend after the company's profits increased by 18% during the year ending 31 December 2021;

18 Feb 2022 **Nairobi (Kenya)** *Business Daily*. The **High Court** paves the way for **KCB Group** to seize assets held by **Nairobi** county in an effort to recoup funds associated with a Ksh4.3 billion (\$38m) defaulted loan;

16 Feb 2022 **Nairobi (Kenya)** *The East African*. **Ethiopia** and **Kenya** commit to jointly fight the threat of terrorism on their shared border.

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Please contact us by email info@africariskconsulting.com or call + 44 (0) 20 7078 4080

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