

The logo for Vellum Weekly, featuring a blue stylized 'V' icon followed by the word 'Vellum' in a large, bold, dark blue sans-serif font, and the word 'Weekly' in a smaller, dark blue sans-serif font below it. The logo is set against a white rounded rectangular background.

Vellum

Weekly

FRIDAY, 17TH JULY 2020

The logo for OXYGÈNE, featuring the word 'OXYGÈNE' in a bold, dark blue sans-serif font. The letter 'O' is orange, and the letter 'È' has a small orange accent above it. The logo is set against a white rounded rectangular background.

OXYGÈNE

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Why Ruto's Options Are Dwindling For Now

Deputy President William Ruto entered the year 2018 on a comfortable political footing. He had his sights on the 2022 presidential campaign, given his understanding with his boss – President Uhuru Kenyatta – and public pronouncements about his support in 2022.

Fast-forward to mid-2020 and every strategy Dr. Ruto had laid in place appears to come unstuck due to a confluence of factors well without his control. For starters, President Uhuru Kenyatta appears to have changed his mind about supporting his deputy for the big post in 2022. His close ally David Murathe has made no secret that there is no love lost between President Kenyatta and his deputy.

The Covid-19 pandemic came to disrupt the DP's strategy as they were all based on forming and strengthening direct linkages with voters. But given the facts, direct outreach would mean meetings which would violate social gathering rules. It has contained him mostly to his Karen home in contrast with the days when he could show up at a rural kiosk for a cup of hot tea with locals and attend numerous church fund-raising meetings.

By contrast, his detractors have used the moment to move major political chess pieces inside Parliament to ensure that he has no grip. Following the dramatic changes in parliamentary leadership to pave for two major political events – the introduction of the BBI report and the reconstitution of the Independent Electoral and Boundaries Commission – Dr. Ruto played a humility card.

"With the changes in Parliamentary leadership, including committee membership & leadership, now concluded, I urge all MPs NOT to be divided but work TOGETHER in serving the PEOPLE. Col.3:23, Whatever you do, work at it with all your heart, as working for God, not human masters," the DP tweeted.

In the meantime, he has occasionally been hosting small groups of youth at his Karen residence to "boost their hustle" and keep his candle in the public heart alive until he can return to the stumps where he thrives on political rhetoric.

Some commentators on social media have urged the Deputy President to resign from his position and form an outfit to

angle for his 2022 political ambitions. However, his ardent supporters are of the view that he should stay put, continue enjoying the trappings of his position for as long as he can.

Unless the DP were to resign, the only other option of removing him from the perch is for Parliament to fire him through an impeachment process under the provisions of the law.

According to the Constitution, the Deputy President may be removed from office,

(a) On the ground of physical or mental incapacity to perform the functions of the office; or

(b) On impeachment;

- On the ground of a gross violation of a provision of this Constitution or any other law;
- Where there are serious reasons to believe that the Deputy President has committed a crime under national or international law; or
- For gross misconduct.
- Attaining the necessary numbers in both houses of Parliament might be the tallest order. Therefore, Dr. Ruto can hang on to hope that the Covid-19 environment will soon change to allow him to apply his refined positioning strategies for the 2022 contest.

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MOVING FORWARD: THE ICT SECTOR

On Wednesday this week, the Senate ICT Committee had a meeting ICT industry stakeholders to discuss industry views on items the Senate should focus on in its current session.

The meeting was held online and attendance by the Committee members as well as industry was good. The deliberations included requests for the senate to look into various issues highlighted below:

Connection issues

Especially at county level. It was noted that most counties do not have as much connectivity as Nairobi County. Speeds had doubled before COVID but speeds have now decreased yet most Government online services and learning services, run on 4G network which is patchy across the country and only available in Nairobi, Mombasa, Kisumu, Eldoret but coverage in Nairobi and some urban areas is not coverage nationally.

High Cost of Devices

There were several concerns raised about the current cost of 4G enabled devices- most affordable is around USD 40 (KES4000), a price out of reach for most Kenyans as around 40% of the Kenyan population living below the poverty line.

Further, most of these devices are imported from China and lock down has

affected importation of devices. Kenya needs to figure out how to manufacture affordable 4G devices locally.

Questions around USF and Last Mile Connectivity

Both parliament and industry stakeholders are concerned about the utilization (or lack thereof) of USF a fund domiciled at the Communications Authority and paid for by telco sector licensees. It is currently not clear how the universal fund is being used to increase connectivity as well as 4G coverage across the country something Kenya really needs especially in this season of COVID disruption, work and school from home.

We may need legislative intervention to encourage last mile connectivity. It was noted that some counties are charging an arm and a leg for way leaves. There is a great need to ensure there is a standardized cost of laying cables and enhancing connectivity.

Leveraging ICTs

The last national censuses conducted in 2019 showed that Kenya only has 3 million e-commerce users, who are basically found in most urban areas yet nationally we have been asking counties to leverage on ICTs.

Government along with industry stakeholders have a lot of work to do to

ensure eGovernment, eCommerce and eLearning is being used at county and subcounty level.

Public Participation

We need to enhance public participation on ICT sector issues for the benefit of the entire republic.

5G and Concerns about COVID

It was noted that the World Economic Forum, the World Bank and the IMF encourage digital acceleration and transformation. As Kenya, we need to lay down proper frameworks to ensure all digital transformation can be maintained post covid so we can keep benefits post covid.

On questions and concerns about whether 5G causes Corona virus, Industry clarified that corona virus is a biological disease that resides in humans and animals and is not caused technology. This is also the position as articulated by WHO.

It was also clarified that 5G, 4G, 3G and 2G all use the same safe low frequency electromagnetic waves. 5G has been designed to reduce the amount of energy reaching an end user and therefore enables increased connectivity speeds.

5G is currently not a hot topic in Kenya because of the potential economic benefits are not yet quantified. Other countries like India and Thailand have done studies on



Uptake of 5G could result in huge cost benefits for industry, making it easier to deliver internet connection to consumers, thus savings are passed on to the consumer.

potential benefits of 5G technology for their nations. An Australia study even quantified differences based on whether 5G is rolled out slowly or quickly. These national studies are guiding the roll out in those countries. Kenya should consider doing a similar study so as to ensure the nation reaps the benefits of technology advancements.

It was noted that the CA is currently developing a 5G road map related to spectrum management. This is fine but we also need to do a broader national study, that covers learning, health and other spheres of living, not just spectrum.

The Senate was urged to lead or pave the way. 5G in Kenya will be very different from 5G in other nations but we would have to do studies to ensure we get the figures and facts right for discussion and public engagement.

Why 5G Would Matter For Kenya

Uptake of 5G could result in huge cost benefits for industry, making it easier to deliver internet connection to consumers, thus savings are passed on to the consumer.

It would also connect homes and business. As per CA only 53,000 homes and businesses are currently connected to fiber in Kenya.

5G can also play an important role connecting schools, health centers and police stations. 5G is more important for insertions and digital transformation and industrial uses.

Spectrum & Market Entry Issues

Sentiments from industry were that Kenya has a lot of spectrum available that is not being used. This means either price is too high or the spectrum is not on offer.

Even though Kenya has a history of spectrum abuse, the current price makes it harder for new players to enter market. The cost of building a mobile network is not just infrastructure but includes marketing, spectrum costs etc. The high cost of spectrum hinders new entrants to the market.

Government Enterprise Architecture

We need to eliminate duplication of solutions and fragmentations in the

technology environment together with leveraging the efficiencies of on demand provisioning of ICT services.

The Senate needs to help push stakeholder engagement in government circles to ensure that citizens continue to get services remotely, as we have seen COVID affecting lands, PSC and all other Government offices.

In the debate on data protection locally or out of country, industry urged the Senate to separate data localization and data sovereignty to allow increased Government uptake of cloud services.

What next from Senate?

The session was fruitful and Senate ICT committee stated that each committee member would take up one or two of the issues to champion. Issues would be picked based on Committee member interest and proximity of effect to their people.

Sen Gideon Moi, chair of the Committee will be championing 5G.



KENYA



Standard and Poor's (S&P) lowers Kenya's economy outlook

Standard and Poor's (S&P), a global ratings agency has lowered its outlook on Kenya's economy to "negative" from "stable" thus dimming the country's chances of tapping cheap credit in the international financial market. The ratings agency pegged its decision on a projected significant slowdown on Kenya's GDP growth this year due to the effects of the Covid-19 pandemic. It, however, affirmed the country's long-term foreign and local currency debt ratings at 'B+/B'.



KRA starts tax returns audit to nail cheats

The Kenya Revenue Authority (KRA) is reviewing firms' and workers' annual income tax returns for unpaid duty, stepping up a crackdown that could see more tax cheats prosecuted. The taxman's intelligence and enforcement unit is investigating workers' and businessmen's sources of income and their expenditure against their tax remittances.

The audit involves matching the returns with other databases including import records, cash trail in bank accounts, motor vehicle registration details, Kenya Power data and supplier dealings. Firms and individuals doing business with the government and counties and those that declare supplier contracts to the KRA are particularly on the taxman's radar.

Shilling hits historic low against the dollar after reopening

The shilling slumped to a record low against the dollar on Thursday on stronger demand for the greenback, pointing to a rise in the cost of importing goods into the country in the short term. Commercial banks quoted the shilling at 107.40 to the dollar, an all-time-low, after four successive days of weakening.

Demand for the dollar has particularly been cranked up by

the manufacturing and energy sectors as traders seek to cash in on improved business activity following the recent lifting of restrictions on movement in and out of the Nairobi Metropolitan Area, and Mombasa and Mandera counties. Traders expect the gradual reopening of the economy to boost demand for commodities such as fuel and raw materials for many manufacturing firms.



RWANDA

Rwanda churches to open

The government of Rwanda has okayed the reopening of places of worship, but with restrictions. Places of worship have been given a green light to reopen after over four months of closure, which was part of the effort to contain Covid-19. The decision was made by a cabinet meeting which stressed that they each would be reopened after an inspection to ascertain they meet the set restrictions.

RwandAir makes inflight changes ahead of reopening.

With about two weeks to the resumption of flights, RwandAir is working on changes with an aim to improve the safety of passengers amid the Covid-19 pandemic.

Like other airlines across the world, RwandAir will be making adjustments on a number of inflight aspects to reduce physical contact and chances of reduction of contracting the virus.



UGANDA



Insurance regulator turns to phones to curb fraud

Insurance regulator has added mobile phone as a new payment platform for Motor Third Party Insurance to supplement walk-ins and bancassurance. The new digitised mobile payment platform, according to Insurance Regulatory Authority (IRA) will help curb fraud in the industry as well as promote convenience. The move comes as government registers more than Shs52.5b in losses annually through forgeries of stickers.



Trade shares, bonds on your phone

Due to curfew, lockdown and other restrictions on movement that the coronavirus pandemic has brought to Uganda, USE has opened a portal at scd.use.or.ug to ease buying and selling of company shares and bonds. Hitherto, Ugandans that wanted to purchase shares had to make the painstaking journey to the premises of a broker. That's in the past now. Due to curfew, lockdown and other restrictions on movement that the coronavirus pandemic has brought to Uganda, USE has opened a portal at scd.use.or.ug to ease buying and selling of company shares and bonds.

TANZANIA



I&M Bank inaugurates main branch in Dar as it clocks a decade

Speaking at a ceremony to inaugurate the building which is located along Indira Gandhi Street in Dar es Salaam, I&M Bank's board member, Ambassador Bertha Semu Somi said the new branch and account will help Tanzanians improve their saving culture to back the lower middle income status that the economy achieved recently

NMB Bank Plc wins Euromoney Awards for Excellence 2020

This award is a clear demonstration that NMB Bank is more than a provider of financial products and services. It is recognized as a catalyst for economic change through digital transformation and technology coupled with ability to deliver innovative solutions to the market. The award issued by the London based global financial markets magazine is given after taking note of a number of metrics including financial performance, digital banking strategy, financial

inclusion, product offerings. It also evaluates its approach to cyber security and corporate social responsibility.

Early this month, President John Magufuli commended the central bank, commercial banks and the financial sector for their contribution to enabling Tanzania to join the league of middle-income economy countries. The World Bank recently declared Tanzania as a lower middle-income economy after attaining per capita income of slightly over the \$1,036 minimal level for middle income status, whose upper limit is \$4,045 per capita income.

ETHIOPIA



Ethiopia and France Sign 20 Million Euros Grant Agreements

The governments of Ethiopia and France have signed two grant agreements amounting to 20 million Euros today. Finance Minister Ahmed Shide and Agence Française de Développement (AFD) Country Director Valerie Tehio signed the agreements.

According to Ministry of Finance, the first 12 million Euros grant agreement will be used to partially finance phase I program of the renovation and opening of the National Palace. The second grant agreement, amounting to 8 million Euros, will be used to support the Agricultural Transformation Agency (ATA) MSMEs Development program, which is part of the Agriculture Commercialization Cluster (ACC) program that has been supported by other development partners, such as the Danish and Dutch Embassies and the European Union, the ministry added.

KENYA GAZETTE

REVIEW

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Legislative Supplements, 2020

- The Excise Duty Regulations, 2020
- Avoidance of Double Taxation with Respect to Taxes on Income
- The Retirement Benefits (Forms and Fees) (Amendment) Regulations, 2020
- Prescription of Effective Tick Destroying Agent
- The Public Order (State Curfew) (Extension and Variation) Order, No. 4 of 2020
- The Crops (Horticultural Crops) Regulations, 2020
- Declaration of Scheduled Crops
- The Crops (Fibre Crops) Regulations, 2020
- The Legal Aid Code of Conduct for Accredited Legal Aid Providers, 2019
- The Marriage (Matrimonial Proceedings) Rules, 2020
- The Tax Procedures (Settlement of Tax Disputes Out of Court or Tribunal) Regulations, 2020
- The Petroleum Development Levy Order, 2020
- The Crops (Sugar) (Imports, Exports and By- Products) Regulations, 2020

Acts, 2020

- The Supplementary Appropriation (No. 2) Act, 2020
- The County Governments (Amendment) (No. 2) Act, 2020
- The County Governments (Amendment) Act, 2020
- The National Drought Management Authority Act, 2020
- The Public Finance Management (Amendment) Act, 2020
- The Office of the County Attorney Act, 2020
- The Petition to County Assemblies (Procedure) Act, 2020

PUBLIC SECTOR

Appointments

- The Cabinet Secretary for Interior and Co-ordination of National Government has appointed Jidraff Gitjhendu, David ole Sankoro, Nicodemus Bore to be members of the Non-Governmental Organizations Co-ordination Board.
- The Cabinet Secretary for Transport, Infrastructure, Housing, Urban Development and Public Works has appointed members of the Ad-Hoc Committee for the delineation of urban boundaries in Homa Bay County.

- The Cabinet Secretary for Tourism and Wildlife has appointed Francis Githinji Mwereria as a member of the Community Wildlife Conservation Committee for Meru County.
- The Cabinet Secretary for Tourism and Wildlife has appointed members of the Community Wildlife Conservation Committee for Bungoma County.
- The Cabinet Secretary for Tourism and Wildlife has appointed members of the Community Wildlife Conservation Committee for Isiolo County.
- The Cabinet Secretary for Tourism and Wildlife has appointed members of the Wildlife Research and Training Institute Board.
- Eric Gumbo has been appointed to be a member of the Council of Legal Education.

Notices

- The Inspector-General has gazetted designates of various Police Stations or Posts.
- The August Recess of the High Court and Courts of Equal Status shall commence on 1st August, 2020 and terminate on 15th September, 2020, both days inclusive.

TECHNOLOGY SECTOR

Communications Authority of Kenya License applicants

The Communications Authority of Kenya has received a renewal of licence application from Jamii Telecommunications Limited for the Renewal of International Gateway Systems and Services (IGSS) Operator.

Name	Licence Category
Thamani Concierge Limited	National Postal/Courier Operator License
Vazguard Protection Services (VPS) Limited	National Postal/Courier Operator License
Chauffeurs Services Kenya Limited	National Postal/Courier Operator License
Cool Express Limited	National Postal/Courier Operator License
Docs Beauty Parlour Kenya Limited	National Postal/Courier Operator License

Environmental Impact Assessment Study Report

- The Proposed Rehabilitation of Kenya Railways Infrastructure (MV Uhuru, the Extension of a New Railway Line and Fencing of its property) in Kisumu County
- Kenya Railways Corporation is proposing to rehabilitate it's infrastructure (MV Uhuru, MV Peeda, fourty four tank wagons, one shunting locomotive, fencing of Kenya Railway land next to the port, Link span, new railway line siding extension from NCPB to the KPC oil jetty)

at Kisumu port in Kisumu County to make it a regional economic hub related to transportation, co-ordination and distribution of goods and services for national and international transit.

- **The Proposed Grain Storage Silos on Plot L.R. No. Msa/Block/11371, Shimanzi Area, Mombasa County**
 Kilindini Warehouses Limited proposes to put up grain storage silos on Plot L.R. No. MSA/Block/I/371, Shimanzi area, Mombasa County.

CORONA UPDATE: KEEPING YOUR FINGER ON THE PULSE

QUICK FACTS:

11,673

confirmed Corona Cases in Kenya

3638

Recoveries

217

deaths

As of 16/07/2020*



PARLIAMENTARY ROUND UP

NATIONAL ASSEMBLY ROUND UP

Message from Senate

The Speaker received a message from the Senate regarding its passage of the following three Bills:

- The Pandemic Response and Management Bill
- The Cancer Prevention and Control (Amendment) Bill and,
- The Kenya Medical Supplies Authority (Amendment) Bill.
- He further directed that after the First Reading, the Bills be referred to the Parliamentary Budget Office who will advise him on how to proceed.

Papers Laid

- Legal Notice No.114 of 2020, relating to the Agreement for the Avoidance

of Double Taxation between the Government of the Republic of Kenya and the Government of the Republic of Mauritius from the National Treasury and Planning.

- The 2019 Budget Review and Outlook Paper from the National Treasury and Planning.
- Notice to the Central Bank of the Price Stability Target and the Economic Policy of the Government for the Financial Year 2020/2021 Budget from the National Treasury and Planning.
- Memorandum on the Accession to the African Charter on Democracy, Election and Governance from the Ministry of Foreign Affairs.
- The Fourth Report on Treaties Ratified by the Republic of Kenya

from the Ministry of Foreign Affairs.

- Bank Supervision Annual Report 2018 from the Central Bank of Kenya (CBK).
- Annual Report for the Financial Year 2017/2018 from the Public Procurement Regulatory Authority.

Notice of Motion

- The House approved the appointment of Ms. Nancy Janet Kabui Gathungu as the Auditor-General of the Republic of Kenya.

First Reading

- The Public Finance Management (Amendment) Bill



SENATE ROUND UP

A Special Sitting for the Senate to consider the report on the third basis for revenue allocation among the county governments.

Papers

- The report of the Standing Committee on Finance and Budget on the Third Basis for revenue allocation among the county governments.

Notice of Motion

- The Senate adopted the report of the Standing Committee on Finance and Budget on the Third Basis for revenue allocation among the county governments, laid on the Table of the Senate on Monday, 13th July,

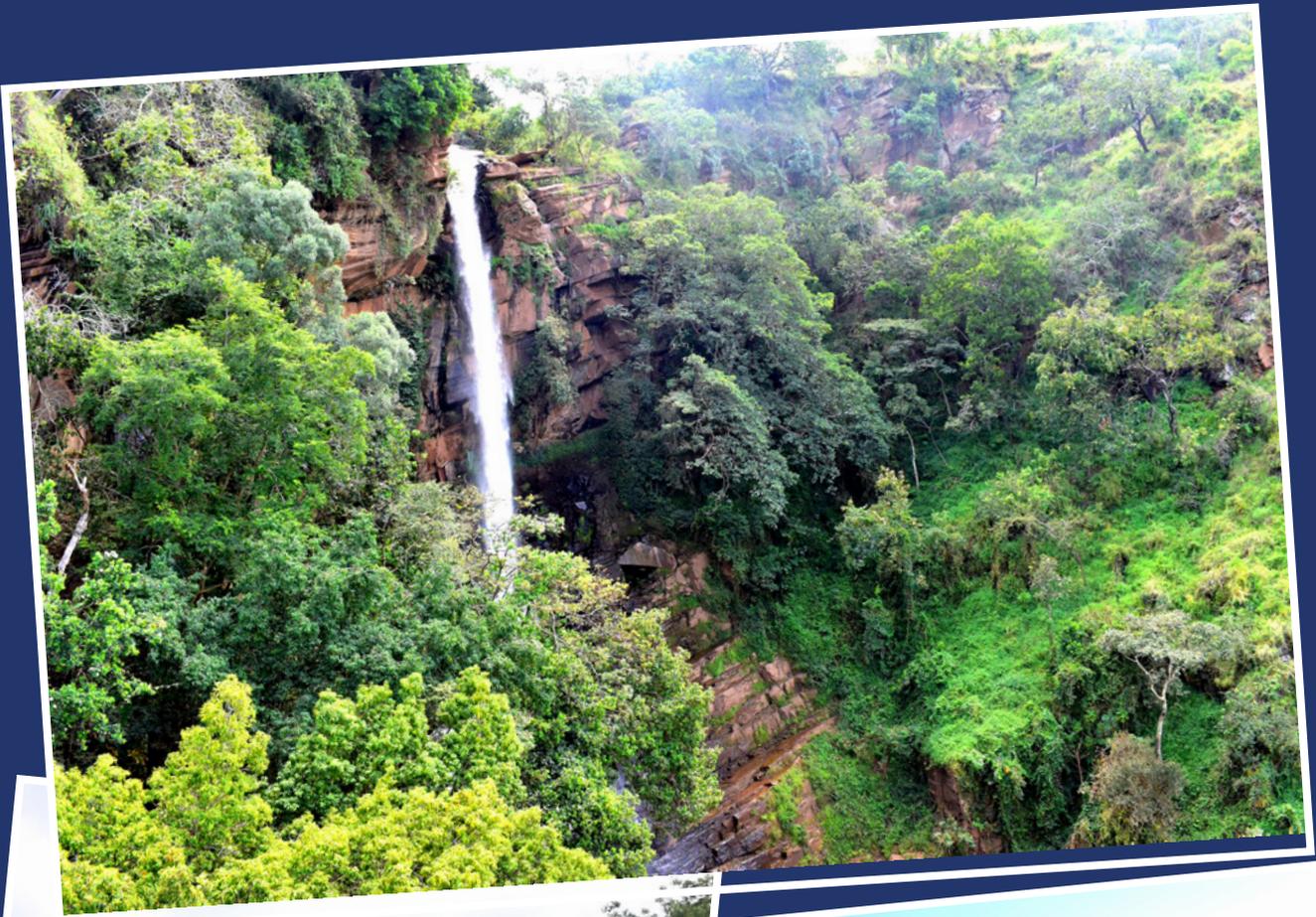
2020, and that pursuant to Article 217 of the Constitution, approves the proposed Third Basis for revenue allocation among the county governments as contained in the report.

- The Senate resolved to renew the mandate of the Select Committee on the Managed Medical Equipment Services by a further period of 23 days to enable the Ad Hoc Committee to conclude its work and table its report in the House on or before 4th August, 2020.
- The Senate adopted the Seventh and the Eighth progress reports of

the Ad Hoc Committee on COVID-19 Situation in Kenya, laid on the table of the Senate on Tuesday, 16th June, 2020 and on Tuesday, 7th July, 2020, respectively.

Message from National Assembly

- A Message was received from the National Assembly stating that they approved the mediated versions of:
- The County Governments (Amendment) (No. 2) Bill (Senate Bill No. 7 of 2017) and
- The County Governments (Amendment) Bill (Senate Bill No. 11 of 2017).



COUNTY ROUNDUP

COUNTY ROUND UP



TURKANA

- The Governor of Turkana County has reassigned several County Executive Committee Members
- The Governor of Turkana County, has appoint two more County Executive Committee Members.

NAROK

- The Speaker of the Narok County Assembly has lifted the suspension of the sittings of the County Assembly with effect from 21st July, 2020.
- Narok County Assembly has amended the calendar of the Assembly.



MAKUENI

The County Assembly has amended the calendar of the Assembly (Regular Sessions), 2020

ISIOLO

The CECM for Health Services has gazetted a list of health centers in the County.



KISUMU

The Kisumu City Board has designated several streets for use as Market Souks/Kiosks.

