

The new Constitution promises a fresh agenda

Kenya's constitutional referendum in August 2010 has put the country on the road to political reconstruction although an enormous amount of fine-tuning remains to be done



Kennedy Abwao
in Nairobi

Following the violent political crisis of early 2008, Kenya's efforts to return to its usual path of peace have shown considerable promise in recent months. A major turning point was reached with the country's referendum of 4 August, which produced an overwhelming "yes" vote for a new Constitution.

Dr Ekeru Aukot, who directed the Committee of Experts that authored the Constitution, says that it tackles some of the problems that led to Kenya's political crisis. "The biggest issues are the system of governance, the distribution of resources to the counties, the judiciary and the creation of the governance institutions," he says.

Following the crisis – in which 1,300 people were killed and 600,000 people were displaced from their homes after the disputed December 2007 election – a panel of eminent African personalities, led by former UN Secretary-General Kofi Annan, noted: "A political settlement is necessary to manage a broad reform agenda that will address the root causes of the crisis." The way the new Constitution seeks to provide the basis for this settlement is by reducing the President's powers, devolving power from the central government to the regions, creating a commission to deal with the allocation of land, and establishing a Senate, a Supreme Court and Muslim (Kadhi) Courts. It also creates 47 county governments and, with the anticipated vetting of judges and magistrates, overhauls the judiciary.

The 2007 elections generated a confrontation between President Mwai Kibaki and his rival Raila Odinga over who was the true winner – an outcome that stirred fierce fighting in different parts of the country, some of it apparently pre-planned. Kalenjin warriors from the Rift Valley targeted neighbouring Kikuyu families and their property in a series of coordinated attacks, accusing the Kikuyu elite of grabbing Kalenjin land. In Nairobi and Naivasha there were attacks by Kikuyu gangs on members of Odinga's Luo tribe.

It was only after Kofi Annan's mediation of February 2008 that the current coalition was established, allowing Odinga to become Prime Minister, with powers to supervise government, while Kibaki retained the presidency. A retired South African judge, Johan Kriegler, was called upon to probe the elections and suggest ways to rectify its failures. He concluded the elections were so defective that it was impossible to establish the true winner and recommended the dismissal of the Electoral Commission of Kenya as a confidence-building measure.

Another commission under Kenyan Court of Appeal judge Philip Waki blamed the violence on the "personalisation of power" around the presidency and on perceived historical inequities – mainly the lack of economic empowerment among many ethnic groups and the biases in the allocation of land and other resources. Waki's team opted for police reform and the creation

VIEWPOINT

Shadrack Kavilu, freelance Kenyan journalist

I have high hopes about this new Constitution. It is going to address impunity and corruption in the government [and] it gives hope and recognition to indigenous people. It offers them some protection unlike the previous one. It recognises the traditions and cultures of all indigenous communities such as the Ogiek, Endorois, Yaaku, Sengwer and the Maasai.

My fears are: How long will it take to fully implement it? Does the citizen know how to interpret the Constitution? What is being done to ensure *wanjiku* (the average citizen) understands it? In terms of the devolution of power, the formation of counties could promote tribalism and incompetent personnel in the county governments. I don't see how a county like Ukambani [in eastern Kenya] would hire a professional from Luo land [in the west]. They would rather hire one of their own, no matter how inept that person is. It will limit the ambition of young people who would wish to vie for the presidency. Because you cannot vie for both MP and president, the youth would be left without a political platform to build their careers on. Due to this, I think we will always be led by old-established politicians.



of a local tribunal to probe politicians who bore the greatest responsibility for the violence and, in case this proved ineffective, dossiers were also sent to the International Criminal Court in The Hague.

Leading Rift Valley politician William Ruto was among those who opposed the new Constitution in the August referendum. He had teamed up with church leaders to campaign for rejection, arguing that the document failed to guarantee cardinal principles, such as the right to life, by permitting abortion, and that it challenged Christianity by its creation of Muslim courts. Former President Daniel Arap Moi also joined in the "no" campaign, though his involvement served to emphasise that the clauses on land were hardly in his interest, as he had distributed so much of it during his time. Ruto then lost his position in the coalition government in October as investigations into his own land dealings were pursued.

The new Constitution – now being put into place by a whole series of commis-

sions – will help to lessen tensions around the previously all-powerful presidency, according to Kamotho Waiganjo, an advocate of the High Court of Kenya who teaches law at Nairobi University. He adds, "The devolution of power resolves some of the latent reasons why Kenyans went to war in 2008." He sees the distribution of power to the counties and the creation of more effective political checks on abuses of office as critical steps that could boost the fight against corruption. "By creating independent watchdog institutions, the new law gives Kenyans an opportunity to effectively check the state leaders," he says, pointing out that the office of the Director of Public Prosecutions now has full independence and security of tenure.

Constitutional expert Dr Aukot is confident that the separation of powers between the executive, the judiciary and the legislature and the creation of capable governance institutions can help prevent future crises. But political analyst Fred Oluoch warns of difficulties in implementing the reforms ahead of the 2012 presidential elections. "The past three regimes – Jomo Kenyatta, Daniel Moi and Mwai Kibaki – used the judiciary to further their political agenda by appointing judges friendly to their cause," he says. "The Kenyan public is yet to regain faith in the judiciary, even with the coming of a new constitution."

Parliament's first major task when it reconvened after the referendum was to form a Constitution Implementation Oversight Committee of 27 parliamentarians to steer the passage of the 49 laws required to implement the Constitution. Judges have publicly expressed fears over the vetting process, especially after so-called "radical surgery" led to the suspension of

THE PETER MUNGA FOUNDATION

BACKGROUND

One of the greatest challenges facing many developing countries is ensuring that young people are equipped with the right skills and absorbed into gainful employment. The existence of large numbers of unemployed, impoverished and idle youth presents enormous social and economic challenges.

It is against this backdrop that Kenyan philanthropist and banker, Peter K. Munga felt compelled to establish The Peter Munga Foundation – to focus specifically on Youth Enterprise and Development.



Official opening of Peter Munga Foundation office by Dr. T. Williams, Commonwealth Secretariat



Mr. Peter K. Munga and Dr. T. Williams



Signing of guest book with Mr. Peter K. Munga and Wairimu Kanina Kieme (Executive Director) looking on

In many ways, Peter Munga's life story is similar to the experiences of millions of youth today facing the plight of poverty, disease and desperation in rural areas and poor urban localities. As a young boy, he walked to school with bare feet and often on an empty stomach. He and his family had no access to electricity, clean water or basic healthcare. Peter Munga also grew up without his father, who was taken away from the family and detained in remote camps during the war of Independence in colonial Kenya for his part in the liberation struggle. Yet, despite social and personal hardships Peter remained hopeful that with hard work and focus, the future would be brighter.

As founding Chairman of Equity Bank, Kenya's largest financial institution by customer base, Peter Munga helped drive the bank's commitment to youth development. Through innovative programs, Equity Bank has attracted and mentored hundreds of thousands of young people into a culture of saving. Over the years, the bond between Equity Bank and its youth clientele has grown stronger. Many young people are now borrowers who take credit to build and grow their small businesses. Further, as a successful, home-grown institution, Equity Bank also serves as an aspiration to these youth. As such, his own life offers the sharpest tool in Peter's mentorship toolkit.

In September 2009, Peter Munga was awarded with the Yara Prize for an African Green Revolution for his transformational contributions to the reduction of hunger and poverty in Africa, by enabling smallholder farmers access to much needed affordable savings and credit facilities. He used the prize money of \$100,000 to establish The Peter Munga Foundation and launch his new phase of engagement with the challenges faced by young people in Kenya, Africa and the world.

VISION AND MISSION

The vision of the Peter Munga Foundation is **"to empower youth so that they can participate fully in the marketplace as consumers and investors, borrowing and repaying resources to support enterprises and in so doing, fighting poverty and creating wealth."**

Arising from this vision is the foundation's mission **"to transform the poor into creators of wealth."**

THE FOUNDATION'S WORK

At the Peter Munga Foundation, we believe the most important tool that youth possess is their MIND. As such the fundamental pillar of our work is to change the mindsets of young people – to provide mentorship and empowerment counseling that moves them towards a “CAN DO” attitude. It is only when the youth believe they can be successful and productive that they will be inclined to work hard towards it.



Visit by Kamalesh Sharma, Secretary General of Commonwealth. Pictured here with youth leaders

In order to scale our efforts and broaden our reach, we are working through the Catholic Church in rural Kenya. The church is one of the most influential and important institutions in Kenyan society and as such, it provides a valuable platform for the foundation to work from. Currently, our flagship project is supporting the Metropolitan Catholic Youth Programme, a group that covers two provinces and eight counties across the country and comprises over twenty thousand youth. Earlier this year, Mr. Peter Munga was invited to speak at gathering of the Metropolitan Catholic Youth Programme in Nyeri (located in Kenya's Central Province) where over 4,000 youth were present. After speaking with the youth and sharing his wisdom and advice with them, he determined that in addition to providing the mentorship, the Foundation would also make a monetary investment in the programme. .



Wairimu Kanina Kieme speaks to Kenyan youth group

As such the Foundation invested in purchasing outdoor catering equipment (tents, chairs, public address system) for the group. With this investment, the group has been able to generate income to fund various initiatives including college scholarships, peer-to-peer mentorship training, leadership training, financial literacy training as well as sports and music festivals for the youth. In addition, employment opportunities have been created as members of the youth group are the ones who set up and manage the equipment when hired out.

The project is coordinated by youth leaders who are elected from the group by their peers, while the church leadership takes on a supervisory role. In the short time this project has been running, the register of the youth group has trebled as more and more youth have come to know about the activities and potential opportunities.

By starting with a “CAN DO” attitude, the youth are now committed to making the most out of this and other opportunities. For our part, the Foundation is committed to:

- building a roster of mentors to expand the reach to a wider group of youth across the country;
- facilitating youth access to gainful employment by partnering with banks and other corporations; and
- facilitating youth access to investments that encourage and promote entrepreneurship among the youth by partnering with like-minded organizations.



Secretary general of the Commonwealth poses with representatives from Peter Munga Foundation youth projects

MUNICIPAL COUNCIL OF THIKA



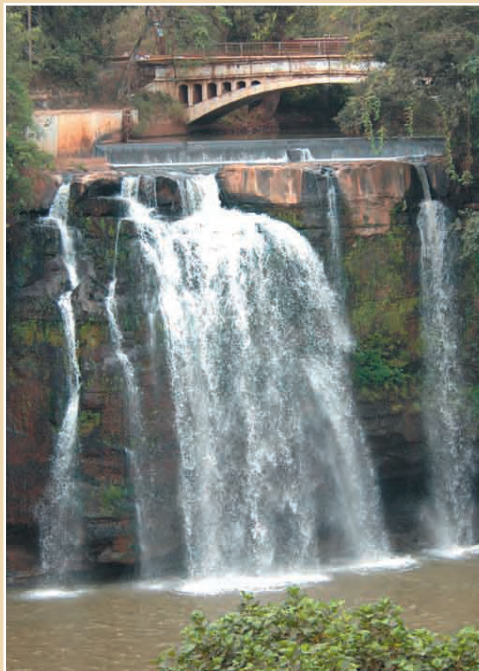
An Investor's Destination

Our mission statement

To create and nurture an efficient, effective, dynamic socioeconomic and habitable environment for the citizenry of Thika municipality and environs.

Vision statement

To be a local authority of excellence in service provision globally.



Philosophy

Quality Service and Development

Motto

"The industrial hub of Kenya."

Our origins

Thika Town has a rich history, one that has been marked over the years by the extent of change that has accentuated its landscapes – both physical and figurative. By 1913, it was

simply a convenient stop-over for big game hunters who included former US President Theodore Roosevelt. Thika is today home to East Africa's largest fruit canning factory, a metal container manufacturing plant, a motor vehicle assembly and textile mills. It is nicknamed: "The Birmingham of Kenya".

Why Thika matters

Founded circa 1900, a combination of factors still make Thika an investor's destination. Thika is externally serviced by the newly constructed superhighway to Nairobi, and a railway line that connects it to the Indian Ocean port of Mombasa. Internally, the town has a well-maintained road network with tarred and murrum roads. It has plenty of water and ample space for development and vibrant real estate sector.

Industries

The economic activities of the town include agriculture, particularly horticulture with exports mainly to Europe. Thika has a vibrant coffee industry too. Other industries include, motor vehicle assembly, textile (cotton), mining (building stones), floriculture and food processing (pineapples, macadamia nuts and wheat).

Strategic plan

The town's Strategic and Development Plan for 2008 -2012 lays a solid framework to support the objectives and goals of making Thika a leading industrial hub in Eastern Africa.

Academic centre

Thika is emerging as a new university town with the establishment of main campuses of both Mt Kenya University and Greta University within town. Thika also hosts several middle level colleges plus the country's leading institutions for people with disabilities.

Municipal Council offices

Office of the Town Clerk – for General administration

Town Treasurer – For financial management

Town Planning Department

Education

Social Services

Public Health and Environment

Engineering department



For more information contact:

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www.thikamunicipal.go.ke

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► 23 appellate judges and 282 magistrates. Only five judges, who agreed to face an inquiry, were cleared. High Court judge Mohamed Ibrahim said: “Let those vetting us apply fairness, non-discriminating feelings and principles of justice.”

Renewed vigour in efforts to attack corruption is being shown by the Constitution's clear separation of roles, allowing Parliament to check the executive more effectively than in the past. The Kenya Anti-Corruption Commission, under its new director-general Patrick Otieno Lumumba, recently moved against the influential Foreign Minister Moses Wetangula, forcing his resignation after he was accused of failing to stop the loss of funds within the foreign ministry. The Mayor of Nairobi, Geoffrey Majjiwa, was also forced to resign over a scandal involving the purchase of land. Other high profile resignations have also taken place in the armed forces after Parliament questioned the purchase of military jets.

The overall hope is that the introduction of these major constitutional changes will in future allow the election of a President who is nationally acceptable to all ethnic groups. The new Constitution requires a President-elect to garner 51 percent of the votes cast in a general election and at least 25 percent of the votes cast in half of the 47-newly-created counties across the country. This would go a long way to reducing ethnic tensions and averting the prospect of politicians using one tribe against the other.

“With the 50-plus-one requirement and the inability to offer much to ethnic groups, candidates for the presidency will require to be more than just tribal chiefs,” says Waiganjo, who sees the political direction gradually shifting from the all-powerful central government to the devolved county authorities. “Since the counties are largely based on ethnic groups, this may lead to more ‘ethnopolitics’ at the county level, but reduced emphasis of ethnic politics at the national level,” he adds.

Some 49 pieces of legislation have to be passed before the new Constitution can function effectively, and the implementation phase faces a competition of interests, especially as politicians seek advantage ahead of the 2012 elections. With so much at stake, Kenyans will be following the passage of legislation through Parliament more closely than they ever have before. ●

Kennedy Abwao is Bureau Chief for the Pan African News Agency in Addis Ababa

Shaking off the shackles of corruption

INTERVIEW

John Githongo

Anti-corruption campaigner and founder of Inuka Trust

In February 2005, John Githongo fled his native Kenya fearing that his life was in danger: as the country's Permanent Secretary for Ethics and Governance he had uncovered an alleged corruption scandal (the Anglo Leasing affair) which seemed to penetrate the heart of the government in Nairobi. A well-known advocate against corruption – he ran the Kenyan branch of Transparency International before joining the government in 2002 – the publication, in 2006, of his 36-page dossier on Anglo Leasing put him into the international news headlines. He finally returned home in 2008 and since then has set up Inuka Trust, a grassroots movement which encourages Kenyans to be responsible for improving their own lives. Here he talks to *Global* about his hopes for the country's new Constitution, the divisiveness of ethnic violence and the political power of Kenya's youth, as well as recent official moves against corruption.

Global: The August 2010 referendum on constitutional reform passed off peacefully and there seems to be a sense of optimism that the amendments, if enacted by Parliament, will address the issues of corruption, political patronage, land grabbing and tribalism that have plagued Kenya since independence in 1963. What are your thoughts on the new Constitution and the impact that it will have on governance?

John Githongo: The new Constitution creates for Kenya a moment of hope, which is very important because [the events of] 2007/8 took that away from us. It took us to a very dark place where violence had brought us to grief, but the Constitution now helps us once again. You have to be in a hopeful positive space to be able to implement the measures that will eventually deal with the fundamental problems society faces. So in that sense the Constitution is a good thing. It's going to take heavy lifting to implement it, especially those provisions to do with land, devolution and the fact that we now have a much more robust legisla-

ture. But I think these are good problems to have in that they are forward-looking as opposed to being prisoners of the past.

Are you hopeful that Kenya can solve its problems?

I cannot afford to be pessimistic. I am realistic. The prospects that are promised by pessimism are horrifying. If you think of Kenya's contradictions we are one of the most unequal societies in the world, we have a population growing at about one million per year, only 13 percent of land is arable and 80 percent of the population is crammed into it. We have some of Africa's most rapidly growing cities, we are completely ethnically polarised and we have a venal, tiny elite. If you think of everything against us and put it all together then you can die of depression. So you've got to flip it. Kenyans turned out in huge numbers to vote for the new Constitution, they registered in great numbers to vote for it, so people remain committed to democratic processes and that's very special. I think Kenya has a chance to become and remain a leading African country.

Following the disputed election in December 2007, with the subsequent killings and displacement of people from their homes, do you think Kenyan politics will ever be free from tribal rivalries? What, in your opinion, needs to happen to ensure that ethnic loyalty is removed as a factor from the political system?

I think that when you have over 1,000 people dead and, at one point, over 600,000 people displaced, things will never be the same again. It has changed for good. The myth of Kenyan exceptionalism died with that. We used to think Kenya was a special place but that has changed. We in the middle class would like to think it is still there. The damage that is done as a result of the violence along ethnic lines – when blood has been spilt – takes generations to heal and we are just starting.

RESCUE RECOVER REBUILD

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Is there anything that can help speed up the process?

The most important thing is leadership that recognises that this is a crisis that needs to be dealt with very proactively. There are provisions within the new Constitution, which if implemented in the spirit – not only the letter – would go some way. But one has to recognise that it will take time. It means making special provisions for historically marginalised groups – groups that have been marginalised along ethnic lines, along regional lines – dealing with that in a proactive manner so that we can create a properly inclusive society. You can have all the good laws and constitutions and nice pieces of paper but unless you have leadership that exemplifies that kind of inclusive culture then you will have difficulties.

As a former editorialist, are you confident that the Kenyan media in all its various manifestations – radio, TV, the printed press and new media – are set on a promising path, playing a responsible role in nation-building and encouraging more open and productive debate among citizens?

I think the Kenyan media has always been amongst the most sophisticated in the region and I think they have played a positive role in helping to foster reconciliation, during and after the post-election violence. However, we've seen a lot of fragmentation in the media – we have countless little local radio stations and the quality varies. At the national level we've seen a consolidation and a concentration in terms of political and commercial ownership of the national media and that alignment sometimes is not always healthy. But it is something that we are aware of and can mitigate.

Is religion playing more of a positive or a divisive role in Kenya's political evolution?

It's never been that much of an issue in Kenya's politics. It became an issue in the referendum because of the Kadhi Courts and the churches took a stand against the Constitution. However people still went ahead and voted overwhelmingly for the Constitution and Kenyans are a very religious population so one can see this as a secularisation – that Kenyans were saying that we are very religious people in our private space but in our public political space we would like religion not to be so much of a player. I still think that the religious leadership has a potentially important role to play in reconciliation, especially when we talk about the ethnic violence of 2007/8. They have the equipment of healing and forgiveness and redemption that is not available to

any state. So they remain important actors in long-term reconciliation. However, they are in the middle of a leadership crisis too.

Kenya is, demographically speaking, a very young country – around 75 percent of the population is under the age of 34. Are the youth engaged in politics?

Very! It's the youth who came out to vote for the Constitution. We have had a number of by-elections in the past year and there have been surprises which have been youth driven. The violence in 2007/8 was driven by the youth. The violence itself was the single most empowering event for young Kenyans since independence because they discovered that you can take a machete and block trade with Uganda – very anti-social,



John Githongo: "I think Kenya has a chance to become and remain a leading African country."

but they realised they could do it and they shocked the state. The international community also panicked. The youth are at the heart of it. We have a youth bulge that should be Kenya's engine to becoming an African leader but right now it's treated as a crisis. I think we can flip it because they remain committed to democracy. All they seek is new, better leadership and a better framework of the kind that is partly promised by the imperfect Constitution which has just been passed.

What is your opinion of the recent moves in which a senior minister, the Mayor of Nairobi and other senior officials have been forced to resign while investigations are conducted into alleged corruption? Do these developments promise to build positively on the groundwork that you initiated while you had responsibility for investigating corruption seven years ago?

These are all exciting developments that follow the recent passage of the new Constitution. I'm cautious, however, as we have previously witnessed a multiplicity of anti-corruption spasms orchestrated by the inner core of the ruling elite mainly to extract resources from the international community. It remains to be seen whether this is such an episode.

In setting up Inuka Trust you've been working at the grassroots level to eliminate corruption. Why do you believe that this kind of approach will be more successful than attempts to tackle the problem through state-financed anti-corruption agencies?

I think both work together. However when I joined the government the most successful time we had in the fight against corruption was a period of about six to eight months in 2003 when we had ordinary Kenyans arresting policemen and other public servants for taking bribes. That was our most successful time. We almost didn't know what to do with it. It's a success when ordinary people believe that they can shake off the shackles of corruption because at that level, for the poor, corruption is extortion. Imagine a woman taking her child to a hospital and she is being asked to pay a bribe before an x-ray is taken. Is she corrupt? What choice is she being forced to make at that point? When you have ordinary people taking matters into their own hands in that way and creating a groundswell against corruption then you are succeeding in the fight. And that also creates the pressure to force leaders to change because leaders are sensitive to that, in a democratic context.

What, if anything, can international donors and financial institutions do to encourage better governance in Kenya and other African countries?

I think first of all Kenya doesn't need aid. Kenya collects around \$4.2 billion in taxes each year so we don't actually need aid. What can the international community do? The first rule of engagement should be do no harm. Before doing anything, make sure you know what you are doing. There is no template. One size doesn't fit all in countries where you are trying to promote development. Secondly, ensure that there is alignment between the foreign policy, the security policy and the development policy. When you are talking about aid sometimes there are mismatches, conflicting signals that can lend succour to elites that are sometimes bent on doing the very wrong thing with regard to the rights of their population. ●



MUNICIPAL COUNCIL OF ELDORET

A realisation of vision 2030

Eldoret Town is about 312 km North West of Nairobi on the main Kenya–Uganda Railway Line and along Africa's Great North Road (Cape Town to Cairo). Eldoret functions as administrative centre; transport and communication centre; railway, road and air link; industrial centre; educational centre; commercial and financial centre; residential hub; medical centre; tourism centre; collecting and marketing centre; and security and legal services provision centre of Uasin Gishu County, North Rift and the Rift Valley.

The vision of Eldoret Municipality is to become the best managed and accountable metropolis in Kenya. It is guided by its mission of providing efficient and effective services through participatory approaches and the prudent use of resources.

The Municipality has developed a **strategic urban development plan (2008-2030)** whose goal is to enhance and promote the integrated development of socio-economic activities within the town. In addition, the plan develops and provides a sustainable human environment and resource system as well as the framework for socio-economic investments, economic use of space, infrastructure services and community facilities, plan implementation, and monitoring and facilitation of development approvals.

Major land use activities considered within the town are: health, education, residential, industrial, transportation, commercial, recreation and public utilities. Contrary to the existing situation where all activities are concentrated within the central business district, the proposed land use plan has attempted to decongest the CBD by empowering satellite centres as avenues of development and settlement. This has been undertaken while taking into consideration population trends and physiographic features.

Investment opportunities

- It has an expansive and agriculturally productive hinterland that offers opportunities for economic activity in merchandise trade and distribution and service sectors. Eldoret town can exploit its proximity to this hinterland as a strategic advantage for harnessing opportunities for income and employment generation. The main economic activities include agriculture and horticulture.
- The town has heavy industries like textiles, food processing, steel mills, timber, paper manufacturing.
- Eldoret has reliable infrastructure with a fairly good road network, an international airport, telecommunication service providers and good telephone, email and internet connections and banks and microfinance institutions.
- The Council is enabling growth potential in key sectors, notably tourism, trade, agriculture, transport and construction.
- Government's decentralisation efforts have seen local authorities receive increased budgetary support.
- Investors have been attracted by students and learners of diverse academic interests, establishing various learning institutions ranging from pre-primary to tertiary institutions and several public and private universities.
- World-renowned athletes have made Eldoret their home, investing in real estate and other major businesses.



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'The Eldoret Town Strategic Urban Development Plan (2008-2030) will greatly guide the development and growth of this town. The plan is structured in such a way that it offers the future planners and town managers in general a unique opportunity to systematically control and manage development in a sustainable manner.'
His Worship the Mayor
Cllr. William Rono

Mobile power leads expansion

The growth of telecommunications in recent years is helping to stimulate an economic revolution in East Africa's largest economy, and Kenyans abroad are helping out too, writes **Tom Maliti**

Kenya's economy has been managing to pull through from both the global financial crisis and the country's domestic meltdown in 2008, in part because the agricultural and manufacturing sectors have recorded positive growth in 2010 for the first time in three years.

Central Bank of Kenya's Governor, Professor Njuguna Ndungu, attributes the growth in agriculture to the good and regular rains since 2008, when the country experienced a drought. Ndungu also said that the Kenyan economy was able to begin recovering faster because, unlike during previous times of economic decline – such as the global oil crisis of the 1970s – the government did not redirect its budget for ongoing infrastructure and other development needs towards the running costs of government or other more immediate priorities. “This time we protected the development budget and protected capacity for future growth,” Ndungu said. “We are confident we are going to achieve 5 percent [economic growth] in 2010.”

The 5 percent forecast is confirmed by other experts such as the director-general of the secretariat for Kenya's Vision 2030 programme, Mugo Kibati, whose task is to set out a viable blueprint for Kenya to become a middle-income country over the next two decades. For Kibati, the main driver of growth since 2008 has not been agriculture, manufacturing or even Kenya's rapidly reviving tourist trade, but the ICT sector.

“If you look at the impact that mobile telephony has had over the last, say, five years, it's tremendous,” Kibati told *Global*. “A significant part of GDP growth can be directly attributed to that change. The number of 17 million mobile subscribers is huge because you are now having SMEs [small and medium enterprises] and businesses of all kind, who previously were not able to conduct business, conducting it on mobile telephony. And of course you are having things like M-Pesa and M-Kesho [Kenyan mobile telephone financial services] – access to finance via mobile telephony is on the rise.”

Investment in Kenya's physical infrastructure is also expanding, and this will

play an important role, Kibati added. Roads are being built to areas that businesses could not previously access, meaning that these places will now be able to sell their local produce more easily. Rural electrification is also making a big difference. Kibati predicted that Kenya will have “100 percent of all markets and institutions in the country with access to electricity by the year 2012”,

allowing businesses to intensify economic activity everywhere.

An often-overlooked role in financing Kenya's ongoing economic expansion is played by the availability of funds that Kenyans abroad send home. The latest World Bank figures indicate that remittances, estimated at \$1.7 billion dollars coming through the formal banking system in 2010, ►

Bright prospects for the economy

INTERVIEW

Mugo Kibati

Director General of the Vision 2030 Delivery Secretariat

Global: What are your thoughts on Kenya's economic prospects leading up to the next elections in 2012?

Mugo Kibati: Kenya's economic prospects are pretty bright. And we are working very hard to ensure we come as close as possible to the 10 percent Vision 2030 target for 2012. I also think that the changes in the Constitution have been very positive, both psychologically and substantively. There are going to be significant reforms in the judiciary, in the police and also the public sector, in terms of probity. The level of probity expected now should significantly affect issues to do with governance and corruption and all this I think augurs well for the economic prospects of the country.

The obvious question about the year 2012 is what to expect. I think that the experience of 2008 and the lessons learnt then are very, very alive to Kenyans of all walks of life. Not just government, not just politicians, but the public at large. And with lots of people working very hard to ensure that we permanently avoid a repeat of what happened in 2008, indeed the impetus for the new Constitution is partly that – the idea of reforming institutions so that we obviate the need for that kind of an occurrence happening. My view is

that the prospects are very, very bright.

What do you think will be driving the economy?

Infrastructure is a key driver but an additional driver going forward, in my view, will be the improved governance in the country. I think there will be greater transparency, greater accountability, a greater focus towards improving the business environment and incentives. People who are looking to start businesses or do anything operationally with their businesses will have recourse, will have a place to go to, because public officers are now much more accountable. They will have to be much more so than they were prior to the [new] Constitution.

Do you think the new Constitution will encourage foreign investment?

Absolutely, it will encourage foreign investment. I think an environment with more transparency, more accountability, better governance always leads to higher investment because you have higher confidence from investor money. Not to mention the fact that we are reforming the judiciary. In fact, just the act of judicial reform should go a very long way towards encouraging foreign investment.



► have now overtaken Kenya's other big earners of foreign exchange such as tourism, horticulture, coffee and tea. The real remittance total is almost certainly considerably higher than this, because many people prefer to use informal channels to send money to relatives, friends and businesses back home.

High remittance flows help explain why the property prices in Kenya's up-market residential areas have not fallen, even while the economy was taking a major hit, especially after the post-election violence of 2007/8. Unsurprisingly, some of the developers of townhouse properties or blocks of flats in Nairobi have targeted the diaspora because of the perception that they are a growing class of customers.

While Kibati agreed that remittances now play a significant part in the Kenyan economy, he was keen to stress that "it is only a part, and it will continue to only be a part". More important, from the authorities' point of view, is to convert or leverage remittances into substantial foreign direct investment. Both foreign and local private investment is beginning to flow.

Kenya has now begun to look forward to receiving a 'constitutional dividend', in the

form of short-term and medium-term economic and other benefits, as a result of the approval of the new Constitution which is acknowledged to be more democratic and which, it is hoped, will diffuse political power across Kenya's national and regional

Remittances, estimated at \$1.7 billion coming through the formal financial system in 2010, have now overtaken Kenya's other big earners of foreign exchange such as tourism, horticulture, coffee and tea. The real total is probably higher

institutions. US Vice-President Joe Biden was among the first to raise such hopes during his June 2010 visit to Kenya, when he told university students that if the country passed the new Constitution and pursued

the reforms on the table, Kenya would see more foreign investment. "If you make these changes, I promise you, new foreign private investment will come in like you've never seen and you will have a reinvigorated tourism industry that will exceed the billion dollars it was before the economic crisis," Biden said.

Others are waiting to see how things turn out. A consistent foreign investor in Kenya is the CDC Group (a UK government-owned fund), which has put \$90 million into Kenyan firms over the years, as well as investments worth several hundred million dollars across the rest of Africa. Speaking to *Global* in Nairobi in late November, its chief executive, Richard Laing, said: "I think what is most important of all is that, whatever the politicians decide to do, it is a friendly environment for business. Nobody has to invest in any country. So the countries that will attract the best capital will be the countries that can provide the best opportunities and the easiest environment in which to do business." ●

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Kenya's competitiveness blueprint

By Daniel Kamande, Ernst & Young, East African region



Kenya has made remarkable improvement in economic performance in the recent past and in 2009, per capita income of Kenyans exceeded levels registered in 1997.

The aim of Vision 2030 is to transform Kenya into "a newly-industrialising, middle income country providing a high quality of life to all its citizens in a clean and secure environment." Vision 2030 targets a GDP growth of 10 per cent per annum, which implies that Kenya's income per capita could double by 2018. In addition, sustainable growth, as envisaged, requires that the growth strategy takes into account social and environmental concerns.

While it is clear that competitiveness is an important ingredient for welfare improvement, the challenge of enhancing it is also enormous. In the Kenyan context key interventions necessary for improving competitiveness should focus on enhancing productivity of the various inputs and practices involved in the economic production processes.

Enhancement of total factor productivity will need interventions in respect of the microeconomic environment and the quality of infrastructure. Kenya needs to address supply constraints in the different sectors of the economy and adopt policies that exploit and enhance domestic inter-linkages in the economy and further boost productivity growth.

To enhance development cooperation between the government and other non-state actors, the government should fast track public-private partnerships. This will enhance their ability to mobilise capital for investment, for example in large infrastructure projects.

The business environment needs urgent upgrading especially with regard to business regulation and procedures, service delivery by public institutions, law and order and in resolving commercial disputes. Finally, there is a need to concentrate on improving technological readiness, especially innovation and adoption/adaptation of improved technologies.

The Cluster Development Strategy (CDS) is increasingly being adopted as an economic tool for improving growth and competitiveness. It is, therefore, advisable that the country considers the use of this strategy in its development efforts.



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Not such rough justice



Nairobi Province's Commandant-in-Charge of Prisons, Wanini Kireri, has adopted a new approach towards reforming criminals, encouraging other prison bosses to do the same. Improvements in the justice system are taking hold, writes **Isabel Nanton**

With approximately 100 prisons and 40,000 inmates, half of whom are awaiting trial, the Kenyan prisons system is overstretched and creaking at the seams. And, just like most other penal systems around the world, it suffers perennial deficits in the funding and operating of facilities.

That said, since 2002, when the then Vice-President Moody Awori started reforming the prisons system with a mandate to work on rehabilitation, there have been encouraging developments spearheaded by some outstanding, on-the-ground female leaders.

Promoted in March 2010 to Commandant in Charge of Nairobi Province's eight prisons, Wanini Kireri exemplifies this leadership. On her father's advice (she had originally planned on being a flight attendant) Kireri joined prison training school in 1982 where she "developed a passion for reforming criminals", as she puts it. Practical work as a duty officer at Lang'ata Women's Prison in 2005 led Kireri to introduce such innovative programmes as beauty pageants for inmates – some of whom, on finishing their terms, have actually joined the beauty industry.

What Kireri has found during her career is that "everyone is nursing pain". Inspired by role models like Oprah Winfrey, she made the most of her four years in charge of Shimo la Tewa Maximum Security Prison on Kenya's coast. In this male world of 2,500 inmates, Kireri pushed prisoners into tidying up and taking pride in the facility, instigating programmes of rewards for good behaviour and using inmates as teachers to educate others. She also encouraged a fashion programme whereby inmates made 'prison chic' on treadle sewing-machines and offered basic theology courses – all with the broad aim of planning for their reintegration into the community.

Aware that recidivism revolves around poverty, Kireri's philosophy is to provide the means for inmates to earn a living and, by giving them the ability to earn money while in jail, "break the monotony" of incarceration so as to make rehabilitation feasible.

Margaret Chuma, Kireri's successor at Shimo La Tewa, is continuing this legacy.

Grace Odhiambo, a reformer whose Master's thesis focused on the long-term effects of the incarceration of women offenders on the nuclear family, now heads Lang'ata Women's Prison. In 2009 she was honoured with an outstanding employee award. Odhiambo advocates favourable conditions for inmates to reduce stress levels and Lang'ata runs a remote parenting programme whereby children visit their mothers in prison to share their report cards at the end of the school term – a first in the country. Under her stewardship, partnerships have been formed with donors to provide sewing machines, computers, a library and sports pitches. Odhiambo has created an environment where inmates feel comfortable airing their grievances, and in which elderly women, expectant women and mothers serving time are given priority.

Kenya's prison service is "achieving good results within the constraints of funding and resourcing shortfalls", says Professor Glenn Ross of Australia's Edith Cowan University, who has worked extensively within the country. But he urges the use of more programmes that can address behaviour associated with sex offending, violent behaviour (including domestic violence), drug and alcohol abuse and cognitive distortions, which are staples of therapeutic treatment in many countries.

Ironically, the Kenyan corrections system has been a beneficiary of the recent upsurge in piracy in Somalia's coastal waters. By agreeing to try suspected pirates, Kenya has received support from the UN Office on Drugs and Crime (UNODC) to upgrade some of its coastal facilities – in June 2010, a newly-refurbished Shimo La Tewa court room was completed. This has been done with the long-term goal of restoring law and order both within Somalia and offshore.

The UNODC programme draws on international criminal justice authorities like Dr Ross, who have been helping Kenya to

improve its capability to prosecute piracy. Specialist training has been offered in modern investigative procedures, prosecutors have been schooled in the law of the sea, advocacy and evidential issues, handover guidance has been drawn-up to assist navies in ensuring that any evidence gathered complies with Kenyan law, and Somali language (for suspects) and Spanish and French (for witnesses) translation services have been provided.

In addition, police vehicles have been reconditioned to support the transportation of exhibits for forensic examination and facilities refitted to ensure the secure storage of firearms. Technological upgrades now allow video evidence to be viewed in the Mombasa courtroom. Whilst medical operations have been improved within the corrections' system itself and five additional prisons have been refurbished to accommodate convicted pirates.

Some of the Somali suspects arrived at Shimo La Tewa on Kireri's watch, where she had already integrated Muslim faith observances and introduced *githeri* (a local bean staple) into the men's meals. "You know men and their stomachs," she quips.

The human face of the Kenyan correction systems is lauded by experts like Canadian researcher, Alison Granger-Brown, whose work focuses on the efficacy of recreational therapy on female inmate rehabilitation. She says that while "inmates are damaged and hurt and need healing", their needs are not necessarily being met by the "static security" of Western systems and she commends the "dynamic security" of the relationship-based system observed in Kenya.

Recent Kenyan initiatives include a half-way home scheme for rehabilitating prisoners, a joint undertaking by the Prisons Service and Kenya Prisons Paralegal Project, run by the Catholic Church's Justice and Peace Commission, which arranges training in crafts and carpentry. There is also now a move to hear young offenders' cases outside the court system. Such innovations offer hope in an environment where much of the crime results from disempowerment, despair and disenfranchisement. ●

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