CORPORATE Watch

Keeping Your Business In Mind

JULY 2021 EDITION

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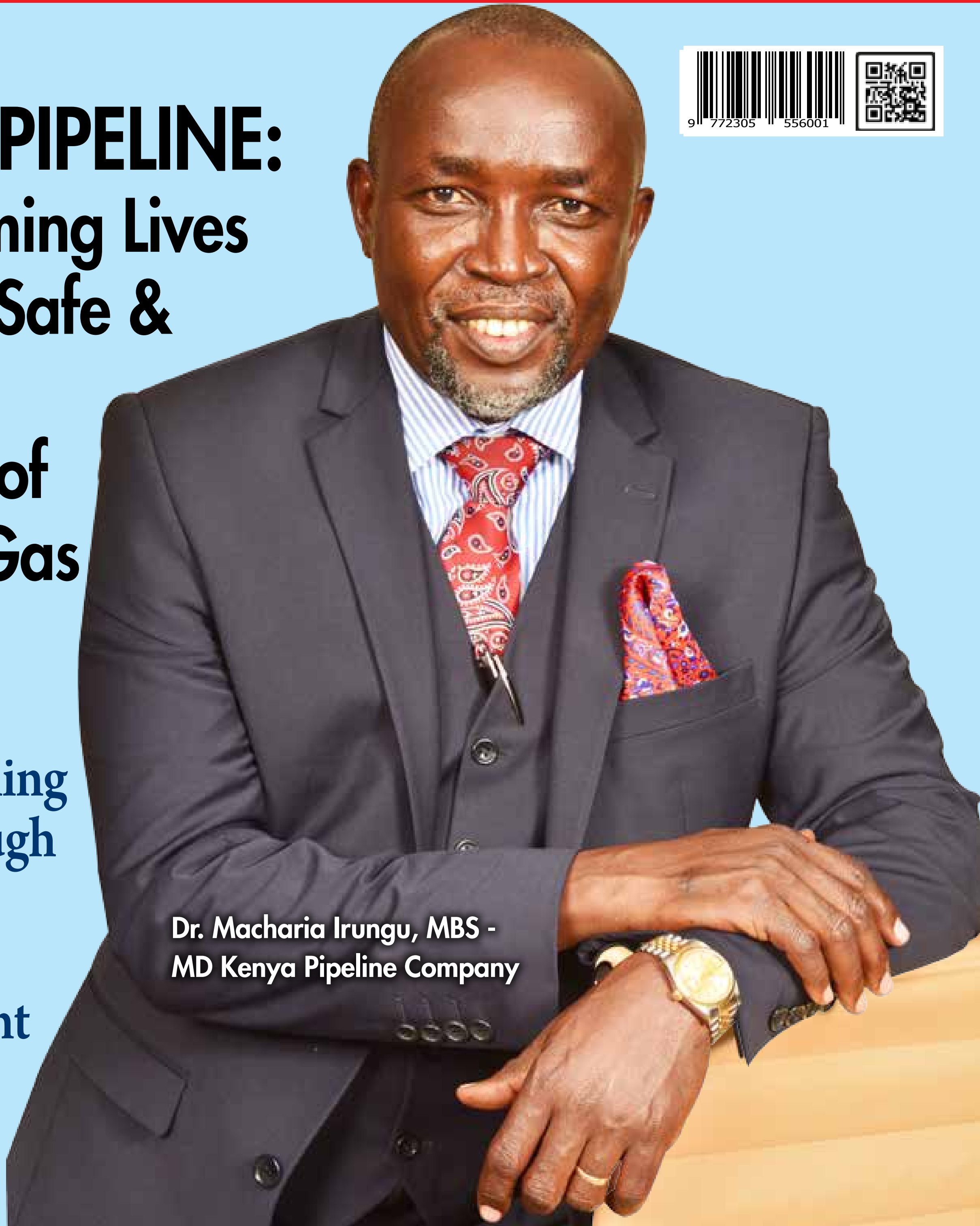
KENYA PIPELINE: Transforming Lives Through Safe & Efficient Delivery of Oil and Gas

CPF: Fulfilling Lives Through Unrivalled Financial Management Services



Dr. Macharia Irungu, MBS - MD Kenya Pipeline Company

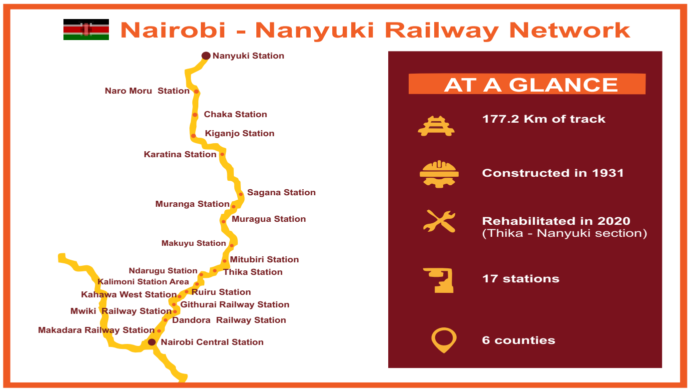
CHAKA RAILWAY STATION

INTRODUCTION

Chaka is a growing township on the junction of Nairobi- Nanyuki Highway (A2), Chaka (Sagana State lodge) Rd and Chaka-Mweiga Rd. The township is a strategic trading centre envisioned to greatly contribute to the socio economic growth of Nyeri County. The Chaka Railway Station was constructed to serve the township, offering both passenger and cargo transport. Other railway stations within the vicinity of this station are Kiganjo and Naro Moru Railway Stations.

STATION LOCATION

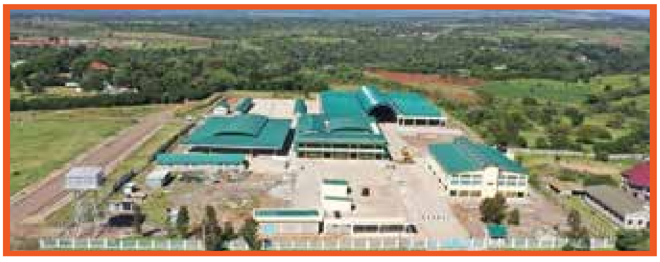
The station is located in Nyeri County, Kieni Constituency.



The new railway station is strategically positioned to facilitate trade including serving the newly constructed Chaka Market which is earmarked to be an industrial hub to serve not only Nyeri county but the entire Mt Kenya region.

Station platform

Access road and Parking Lot



Chaka Market

Restaurant building

PROJECT BENEFITS

- Passenger train services
- Freight Services
- Employment opportunities
- Opening up of the Region
- Decongestion of roads
- Reduction in road maintenance costs

RENAISSANCE OF THE THIKA-NANYUKI LINE

The Thika – Nanyuki Branch line is part of the Meter Gauge Railway (MGR) in Kenya. It has a direct route length of 177.2km. The Branch line was constructed in three phases namely; Nairobi to Thika, completed in 1913, Thika to NaroMoru, completed in 1927; and Naromoru to Nanyuki, completed in 1931.

The line was revitalized in 2020 after being in a moribund state for 14 years. The MGR branch line is a single track developed for mixed traffic (i.e. freight and passenger services). The branch line traverses six (6) counties; Nairobi, Kiambu, Murang'a, Kirinyaga, Nyeri and Laikipia County. Stations are located at; Nairobi, Makadara, Dandora, Kahawa, Ruiru, Kalimoni, Thika, Mitubiri, Makuyu, Maragua, Murang'a, Sagana, Karatina, Kiganjo, Chaka, Naromoru and Nanyuki.

PASSENGER SERVICE

The passenger train has gained immense popularity with passengers traveling to Nanyuki and areas along the route. The train, dubbed the Safari train operates between Nairobi and Nanyuki, departing Nairobi on Fridays and returning on Sunday. The Safari train consists first class and economy class coaches charging as low as Ksh 200 for the economy class and Ksh. 1000 for first class passengers. Passengers can board and alight at any passenger station along the route.

FREIGHT SERVICE:

The Thika – Nanyuki MGR freight train transports:

- Petroleum products from Mombasa to Nanyuki- VIVO Kenya has a fuel depot in Nanyuki which has a storage capacity of 11.5 million liters.
- Construction Materials such as cement, stones, steel and other hardware goods to Sagana, Karatina and Nanyuki.
- General Consumer Goods such as Sugar, household goods, crops and animal inputs from Nairobi to Sagana, Karatina and Nanyuki.
- Agricultural inputs such as planting seeds, animal feeds and fertilizer consigned by Kenya National Trading Corporation (KNTC), Kenya Farmers Association (KFA).
- Imported and local wheat, maize to millers in Thika, Sagana, Kiganjo, Nanyuki.

In the down-direction the train transports:

- Wheat and maize to National Cereals and Produce Board (NCPB), millers.
- cattle from ranches to the revived Kenya Meat Commission, Nairobi slaughter houses and for export market.
- Coffee to Kenya Plantations Cooperatives Union (KPCU).

ECONOMIC GAINS

The investment and subsequent provision of passenger and freight operations along the Thika-Nanyuki corridor generates the following gains:

- Offers affordable, safe and reliable mode of transport for passengers.
- Increased efficiency of production lowering cost of doing business.
- Reorganization and rationalization of production, distribution and location of activities.
- Stimulating the inflow of new production investments.
- Enabling the development of new types of activities.
- Improvement in the spread of knowledge and innovation

VALUE PROPOSITION

The core product of the railway line not only offers transportation services, but also diversifies by leveraging on the related activities such as commercial property, or real estate development through the development of strategic logistics hubs. The design and presentation characteristics of the service generally covers:

- The integration of the Nairobi-Nanyuki line route with the rest of the MGR/SGR network;
  - The operational reliability of the service (e.g. the service frequency, adherence to scheduled transit time, etc.);
  - The security provided for consignments (e.g. against pilferage and damage);
  - The convenience and efficiency of loading/unloading facilities at rail freight terminals;
  - The availability of a convenient delivery service to the final destination (i.e. door-door delivery service).

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Editor's Note

Kenyans Feel The Heat As Vat Is Re-Introduced On Cooking Gas

In line with the Finance Act that reinstated VAT on liquefied petroleum gas (LPG), Kenyans are set to pay a 16% Value Added Tax(VAT) approximately (Sh350-400) more for the refill of a 13-kilogramme cooking gas cylinder despite the already skyrocketing cost of living occasioned by the Covid-19 pandemic.

The 16 percent tax takes effect at the start of financial year 2021/2022 loosely translated as July 1st 2021. The new tax comes at a time when crude oil prices have hit new highs, piling further pressure on LPG costs last experienced in the year 2015.

Several households have decried the increase as the price of electricity, petrol and kerosene have also risen over the last five years. Kenyans have since 2016 enjoyed low cooking gas prices after the Treasury scrapped the tax on LPG to cut costs and boost uptake in a bid aimed at environmental conservation.

The rise in the cost of cooking gas is expected to pile pressure on families that are struggling to foot daily bills due to job losses and drastic cuts in earnings in the wake of the coronavirus pandemic. Nevertheless, the government has assured Kenyans that all its efforts are in the economic recovery process. Hopefully, the pandemic takes a plunge.

This July, the Kenya Pipeline Company graces the corporate watch magazine cover with in-depth focus on its journey to transform lives through safe and efficient delivery of quality oil and gas from source to customer. The State Corporation was established on 6th September, 1973 under the Companies Act (CAP 486) of the Laws of Kenya and started commercial operations in 1978. The Company is 100% owned by the Government and complies with the provisions of the State Corporations Act (Cap 446) of 1986.

The company is transforming lives as it bridges the gap following the negative economic tide occasioned by the COVId-19 pandemic.

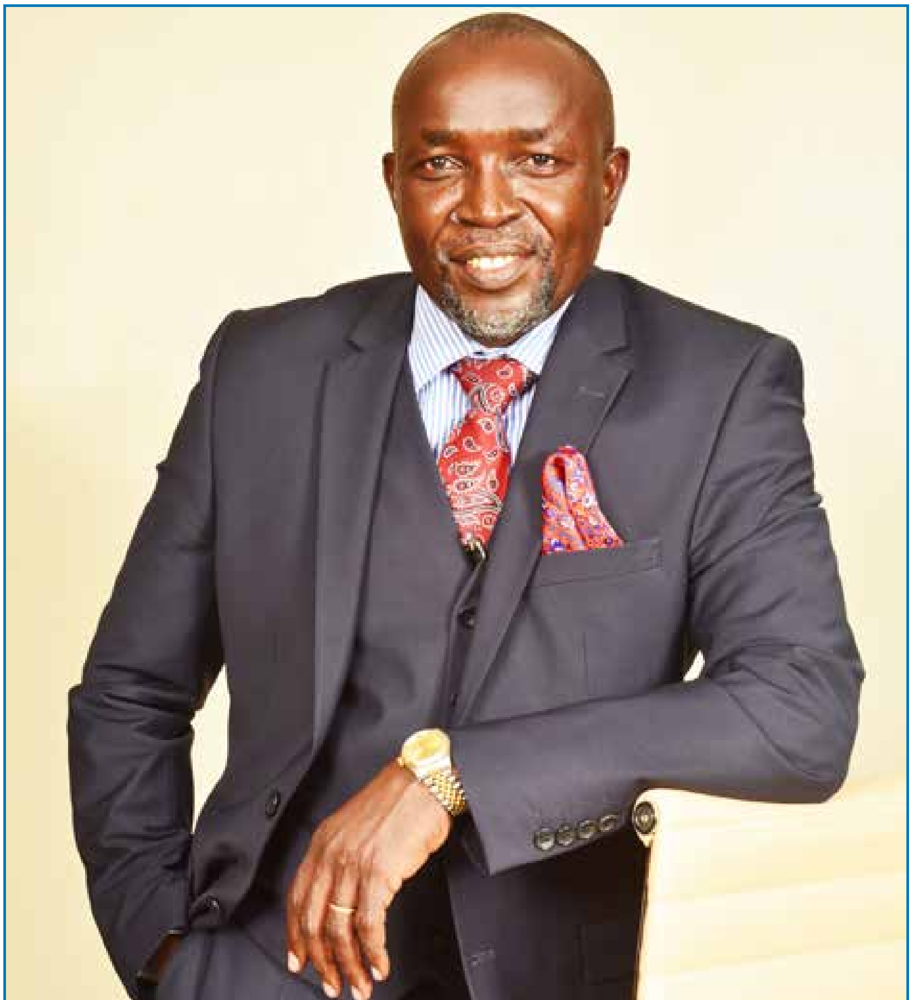
In this edition, we highlight an array of business and corporate stories as well as efforts by corporates to ensure communities are shielded from the adverse effects of the Covid-19 pandemic.

A lot of exciting corporate news in this edition, read on and send us your feedback on our coverage this July. We hope to hear from you and see you in August. Stay Warm, Stay Safe and God Bless!

Allan Mkuywa, Editor

Kenya Pipeline: Transforming Lives Through Safe, Efficient Delivery of Oil and Gas

Established on 6th September 1973, the Kenya Pipeline Company (KPC) is the country's prime state corporation charged with the mandate of enhancing, operating and maintaining pipeline infrastructure in Kenya. KPC's core mandate is to provide efficient, reliable, safe and cost effective means of conveying petroleum products from the port of Mombasa to the hinterland. KPC aims to transform lives through safe and efficient delivery of quality oil and gas from source to customer as Corporate Watch Magazine Team narrates on the future of the oil distributor as it seeks to be Africa's Premier oil and gas company.



Dr. Macharia Irungu, MBS - Kenya Pipeline Company Managing Director

The Kenya Pipeline Company is seeking about $5 billion (Sh 500 billion) to develop and expand fuel facilities in the country with a view of commercializing crude oil in the near future in Kenya.

Over the years, derisory infrastructure has been blamed for the slow pace of commercialization of crude oil, however the state corporation is now banking on its vast infrastructure countrywide to bet on the future of energy.

Unlike other state corporations, KPC does not depend on government subsidies, but is a major source of revenue to the government in terms of dividends and taxes.

The Kenya Pipeline Company currently boasts of 5 storage and distribution depots for refined petroleum products, located in Eldoret, Kisumu, Mombasa, Nairobi and Nakuru, which are fed by domestic-manufactured product from the Kenya Petroleum Refinery near Nairobi and imported, refined petroleum product from the Kipevu Oil Storage Facility near Mombasa.

The company also operates two aviation fuel depots at Jomo Kenyatta Airport, Nairobi, and Moi International Airport, Mombasa. The company is mandated to transport petroleum products from the Kipevu Oil Terminal via Nairobi to the hinterland, a major source of revenue supporting treasury strategies in Kenya.

In Summary

- *The Kenya Pipeline Company currently boasts of 5 storage and distribution depots for refined petroleum products, located in Eldoret, Kisumu, Mombasa, Nairobi and Nakuru*
- *Originally, KPC operations focused on the transportation of refined petroleum products before expansion of its niche to the Crude Oil storage and transport business*
- *The Kenya Pipeline Company has set up state-of-the art product testing laboratories meant for analysis of all petroleum products before they are admitted into its system*
- *The company transports products through pipelines built to international standards; a safe mode of transportation aimed at limiting product exposure to the surroundings*
- *KPC used Sh1.8 billion to refurbish the Nairobi-Nanyuki railway; Sh2.7 billion on the Nakuru-Kisumu railway line and Sh400 million on the Port of Kisumu*
- *The Corporation has capitalized vastly on a modern 96 core fiber optic cable that is about 1,000 KMs long.*
- *Educational sponsorship is just one of many programs the company is supporting through its Foundation.*

A cross section of KPC Tank Farm.

Oil

Oil is the lifeblood of industrialized nations and has been the world's most important source of energy since the mid-1950s. Its products are the mainstay of modern society, supplying energy to power industry, heating homes and providing fuel for vehicles and aeroplanes to carry goods and people all over the world. The industry also supports millions of jobs across global economies.

Oil mishandling and pollution can have devastating effects on the environment, in cases of spillage, it can spread over any surface in a thin layer thereby denying any living things beneath it air to breathe. KPC, however has been in the fore front in maintaining the standards and quality of oil, mitigating oil accidents and setting rules and regulations that govern transportation and usage of oil in the country.

Originally, KPC operations focused on the transportation of refined petroleum products before expansion of its niche to the Crude Oil storage and transport business; thanks to the discovery of oil in Kenya. To ensure that continuity, KPC leased Kenya Petroleum Refineries Limited (KPRL) and developed the facility to receive trucked crude oil from the Lokichar Basin which culminated in the first ever crude oil export from East Africa.

The company's investment in KPRL includes rehabilitation of crude oil tanks, the discharge line and the jetty at Kipevu Oil Terminal (KOT).

> ...KPC does not depend on government subsidies, but is a major source of revenue to the government in terms of dividends and taxes.

Top loading facility at PS 27 - Eldoret.

Quality, Safety and Logistics…

The Kenya Pipeline Company has set up state-of-the art product testing laboratories meant for analysis of all petroleum products before they are admitted into its system. This ensures all such products meet the applicable international quality standards which translates into safe handling and use by consumers.

The company transports products through pipelines built to international standards; a safe mode of transportation aimed at limiting product exposure to the surroundings. While within the depots, products are handled in storage facilities fitted with advanced fire detection and protection systems to ensure safety.

In addition, customer trucks that lift products from KPC depots are subjected to thorough safety inspections as a means of ensuring they are safe to handle such highly flammable products. Those found unsafe are prevented from accessing depots because they would not only be unsafe to handle products but pose a danger to the depots as well.

on 7th August, 2020 President Uhuru Kenyatta issued Executive Order No. 5 of 2020 establishing a framework for the management, coordination and integration of port, railway and pipeline services under the Kenya Transport and Logistics Network (KTLN). The network brings together Kenya Ports Authority (KPA), Kenya Railways Corporation (KRC) and Kenya Pipeline Company Limited (KPC) under the co-ordination of the Industrial and Commercial Development Corporation (ICDC).

This joint agreement will establish a unified and coordinated national transport and logistics network whose aim is to lower the cost of doing business through the provision of port, rail and pipeline services in a cost-effective manner within acceptable shared benchmark standards.

The collaboration is expected to go a long way into bolstering the business relationship that has existed between KPA, KPC and KRC over decades.

KPC has also since partnered with Kenya Railways, the Kenya Defence Forces and the National Youth Service to bring back into operation the Nairobi-Nanyuki Railway, which is going to be transformative for the Mt Kenya and Northern Kenya regions.

In effect, the extra revenue generated by Kenya Pipeline

Kenya Pipeline Company storage tanks in Nairobi Terminal.

has been used to partly fund the President's Big 4 Agenda being food security, affordable housing, manufacturing and affordable healthcare for all.

In this regard, KPC used Sh1.8 billion to refurbish the Nairobi-Nanyuki railway; Sh2.7 billion on the Nakuru-Kisumu railway line and Sh400 million on the Port of Kisumu. It also remitted an extra Sh11.2 billion to the Government in the 2019/20 financial year. All the revenue contributing to the stimulation of Kenya's economic recovery and growth.

Fibre Optics

To keep up with the developments and rate of growth in the fibre optics sector, KPC has embraced modern technologies and trends to ensure things work quickly, proficiently and securely. According to Dr. Irungu, the Corporation has capitalized vastly on a modern 96 core fiber optic cable that is about 1,000 KMs long.

"This network cable runs along the oil pipeline from the port city of Mombasa to Nakuru where it branches off to both Eldoret and Kisumu. We are licensed by the Communications Authority of Kenya to lease the fiber resource to telecommunications providers who in turn use it to carry data traffic.

Our partners in this data carrier space include Safaricom, Jamii, & Wananchi Telecom," he mentioned.

The cable design is so flexible that it enables these telecommunication service providers to serve their clients in townships along the Mombasa-Nairobi-Nakuru-Eldoret & Kisumu commercial corridor and the surrounding areas comfortably without experiencing lagging and breakouts.

Despite a stiff competition in high speed internet provision in the region, KPC's fiber remains the most sort out and most secure over competitors' due to its enhanced protection against damage or fiber cuts. This is also coupled with the fact that it runs underground next to the oil pipeline thus making it highly available and extremely reliable for internet and other data services.

Competency Training in Oil and Gas…

The Morendat Institute of Oil & Gas (MIOG), established to offer capacity building in oil pipeline management, operations and maintenance is a Centre of Excellence. The institute embraces competency-based education and training model which calls for 70% hands on and 30% theory training.

MIOG is accredited by Technical, Vocational and Education Authority (TVETA) and complies with the Kenyan TVET Act, Curriculum Development Assessment and Certification Council (CDACC), and the National Qualification Authority (NQA) rules and regulations.

The technology which bridges between theory and practical training, provides programs which can be accessed both online and offline; thus it prepares and assesses trainees through real life, hands-on practical training.

Programs are embedded in two standard classrooms with more than 80 specialized training programs which can be accessed by between 24 to 30 students simultaneously. The 80 programs contain 4,800 lessons and about 1,000 interactive experiments.

The Covid-19 pandemic negatively impacted the smooth running of MIOG training due to the need for social distancing. The new normal brought about by the coronavirus reality compelled organizations to embrace online competency-based education while others shut down educational facilities for almost a year. The most affected courses were technical which cannot be considered complete without the

Graduands display their skills on how to put out fire.

Uasin Gishu Governor H.E Jackson Mandagor and KPC MD. Dr. Macharia Irungu pose for photo with the graduates.


KPC team led by Foundation Manager Bernice Lemedeket hand over an assortment of medical and personal care supplies to representatives from National Spinal Injury and Referral Hospital.

trainees undergoing the actual hands-on practical training experience.

To counter this the institute made use of its Smart Classroom technology which was introduced in 2019 and established in line with KPC's Vision 2025's aimed at setting up an oil and gas investments hub in the region, thus entrenching Kenya as the gateway to East & Central Africa.

To ensure business continuity, MIOG embarked on online training for the Safety, Health and Environment course which proved to be convenient and cost effective. Among the online courses conducted during the pandemic were: Workplace Safety, Health and Environment, Fundamentals of Oil and Gas Operations, permit to Work (PTW) Systems and Domestic Safety.

Inuka Programme, CSI During the COVID – 19 Pandemic

KPC has established strong Corporate Social Investment (CSI) programs where they collaborate closely with all the communities in Kenya, and especially those neighbouring the installations which includes Depots, Pump Stations and along the Right of Way (ROW) which stretches from Mombasa, traversing 14 Counties to Kisumu and Eldoret.

These CSI programs include a scholarship program famously known as "Inuka", meant to benefit the needy and People living with Disability (PWDs). The twofold program; Inuka Social Empowerment Program is aimed at enabling People living with Disability (PWDs) access skills-based training and other economic opportunities and the Inuka Scholarship Program that enables PWDs access Secondary education.

Since inception of Inuka in 2016, the Company has consistently sponsored the 47 counties through the Inuka Scholarship Program, educating one child per county. "Through the company's CSI, we have been able to offer scholarship to children living with disabilities to access secondary school education. I can happily confirm that we have enrolled a total of 188 girls under the special program," said Dr. Irungu.

Those who will successfully complete their secondary school education, will continue to enjoy the company's support till they achieve their optimum dreams in their chosen fields.

Through the scholarship KPC has spent about Sh52 million translating to Sh14 million every year. In addition, the Company has built a girl's dormitory at Karare Secondary School in Marsabit County to retain girls in school where they are encouraged and mentored to take up science courses as well as motivate them to value education.

KPC Director Wahome Gitonga and Director Iltasayon Neepe handover a sponsorship cheque to Kamondi Primary School that will be used for the construction of a computer laboratory.

KPC Board Chair Rita Okuthe (3rd L) hands over a cheque to National Council for Persons with Disabilities (NCPWD) Director Harun Hassan (seated) alongside some of the KPC Inuka Scholarship beneficiaries.

Considering that the locality in the past has considered girl child education as waste of time and resources this is a great feat.

Educational sponsorship is just one of many programs the company is supporting through its Foundation. Such programs are aligned with focused areas as detailed in its CSI policy. These programs cover different sectors such as: Education, Health & Environment, Water and Sanitation, Sports for development and Support for Special Groups among others.

Some of the successful CSI projects include: Kochodin High School in Turkana County where KPC donated Kshs 10 Million towards the construction of a Dormitory, two classrooms and two pit latrines. This is in support of an earlier promise by His Excellency President Uhuru Kenyatta to the people of Ngamia 1 in Turkana County.

At the Cost of Kshs 5 Million, KPC also constructed a modern science laboratory at Lokitaung Girls High school in Turkana South. This in line with the company's policy to empower girls in science related subjects.

Other key projects backed by the company under the budget of Ksh. 5 million include the construction of four classrooms at Uswet Primary School the construction of a modern Library at Hema Secondary School in Kisii County and sponsorship of medical camps across the country as well as sponsoring various Sports disciplines.

As the effects of Covid-19 ravaged the country KPC rolled out a free sanitizer campaign.

"Amidst the hard-economic times, we unburdened the poor and vulnerable members of our society from buying sanitizers. The trust between us, the Oil Marketing Companies and other like-minded stakeholders ensured that we successfully rolled out the campaign. We produced over 1.5 million litres of sanitizer which has been distributed to the most vulnerable groups in all Counties," said Dr. Irungu.

In addition, KPC donated Sh55 million to the National Youth Service to produce masks which have gone a long way in assisting the less fortunate access masks. Over 1.5 million masks were produced and distributed to the most vulnerable groups in the society across the 47 counties in Kenya.

What Covid-19 Has Taught Us About Running Businesses

If you speak to any owner of a small, medium or large-sized business, a majority of them will share feedback saying that over the past one year or so, things have been tough due to the adverse socio-economic effects of COVID-19.

Although the economy is slowly opening up, businesses are not entirely out of the woods but things are beginning to change and look promising.

Locally and globally, institutions such as the World Bank and IFC and awarding bodies such as The African Banker and the Banking Awards by Think Business continue to recognize banks that have made deliberate efforts to cushion MSMEs and to support their growth despite the tough economic times. Additionally, customers are proving to appreciate banking partners who have helped them navigate through the COVID-19 pandemic in one way or another.

However, what support have SMEs received from their bankers during these tough times? To answer this, we make reference to a local bank that has grown to become East and Central Africa's number one bank, that is, Equity.

When the pandemic hit, the government took precautionary measures by enforcing curfews and travel restrictions. Although this was done with good intent, local businesses felt the pinch and many were forced to relook how they manage and run their businesses. Equity, very quickly put in place measures to cushion businesses including;

KNCCI Chamber President Richard Ngatia (left) and Equity Group Chief Commercial Officer, Polycarp Igathe (right) exchange signed MOU documents at KNCCI offices in Heritan House. Businesses registered with KNCCI and banking with Equity continue to benefit from training, capacity building and credit facilities.

Loan Rescheduling and Moratoriums

Business customers who demonstrated the impact of COVID-19 on their businesses and the soundness of their business model received reprieves of loan rescheduling and refinancing with up to an additional three years of repayment. Other customers got moratorium or loan accommodation on principal and/or interest with repayment breaks or reduction of repayment instalments. This gesture was intended to ensure that Equity clients focus on cash preservation to ensure the survival of their businesses and enterprises.

Business Diversification

With the onset of the pandemic, businesses that remained rigid faced multiple challenges and were on the verge of closing down particularly those operating in sectors such as education and hospitality.

Equity through its Business Banking unit and network of 190 branches made a deliberate effort to encourage its customers to diversify as part of efforts to cushion themselves. For instance, Alfred Muchoki of Farmers Fresh who manufactures animal feeds with concentration on chicken and dairy feeds diversified his business as part of the COVID-19 response.

The COVID-19 pandemic made him realise that he was not able to sell animal feeds if his clients stopped rearing animals. Working with his local Equity branch, he explored ways of boosting his value chain support among his clients especially through egg farmers.

In the end, he would supply the local farmers with animal feeds and then take their eggs as payment for the feeds and was able to sell the eggs locally and exported some to Uganda and Tanzania.

Were it not for business diversification and repurposing, he probably would have faced a much tougher time.

Encouraging Digitization in Banking

Most retail businesses are heavy cash handlers with most Kenyans making use of liquid cash and or mobile payments. With the new normal, this was cumbersome because branch operation hours had been changed due to the enforced curfew and this also increased the risk of exposure to COVID-19.

To mitigate against these risks and to enhance customer experience, Equity revamped its Eazzy Suite of products including the Equity Mobile App, EazzyBiz, EazzyNet, EazzyFX and the *247# USSD platform enabling customers to sign up easily and transact from the comfort of their homes or businesses. For those who still needed to deposit or withdraw physical cash, the Equity Agents complemented the already operational branches.

The Bank also encouraged merchants to take up Pay with Equity previously known as EazzyPay allowing businesses to receive payments from their customers directly into their Equity accounts. This reduced the physical handling of cash and promoted easy reconciliations; making it easier and more convenient for the SME owners.

Business Coaching and Mentorship

Equity also invested in financial literacy, business coaching and mentorship for businesses as part of efforts to further cushion its customers. Through Equity Group Foundation's Financial Education and Entrepreneurship pillar, businesses received one on one and virtual business training sessions helping them to learn how to handle their finances as well as borrow responsibly to see their businesses grow.

The Bank continues to do so through webinars and through physical customer coaching sessions organized through the branches. A move that has seen these businesses benefit from expert advisory services.

Equity Group Managing Director and CEO Dr. James Mwangi (centre), engages with Principal Secretary State Department for Industrialization, Ambassador Peter Kaberia CBS (left), MSEA Board Chairman Charles Waithaka (2nd right) and KNCCI Chamber President Richard Ngatia (right) during the European Investment Bank (EIB), European Union (EU) and Equity Group partnership signing event. Equity has signed agreements with multiple partners including the Africa Guarantee Fund, Proparco, African Development Bank (AfDB) and Mastercard Foundation among others as part of continued commitment to strategically walk MSMEs during and post the COVID-19 pandemic.

MSME Centred Partnerships

Equity further went a step ahead and signed MoUs with the Kenya National Chamber of Commerce and Industry (KNCCI), Micro and Small Enterprise Authority (MSEA) and MSME Alliance to further cushion MSMEs outside of its network.

Through the partnerships, businesses affiliated to the various umbrella bodies continue to receive financial training and mentorship and have access to credit facilities that will see their businesses grow and thrive despite the COVID-19 pandemic.

Equity made a bold move to focus on its customers and this paid off as the bank's customers have seen and felt that they have a bank that continues to support them and one that has positioned itself as an SME centric bank with solutions that speak to their needs.

As per it's Q1 2021 results deposits grew by 58% to Kshs 790.6billion while total assets grew by 54% to Kshs 1.07 trillion making it the largest bank in East and Central Africa in deposits and assets.

MSEA Chairman, Charles Waithaka (left), MSEA CEO Henry Rithaa (2nd left), Equity Group Chief Commercial Officer Polycarp Igathe (2nd right) display the signed MoU declaration documents. Looking on is Equity Associate Director SME Banking Jeremy Kamau (right). The partnership with MSEA has seen SMEs start-up, recover and thrive despite the prevailing economic conditions.

In fact, Equity was recognised as the Best Overall Bank in Kenya and first runners-up in the Best Bank in SME Banking, Award Category in the recent 2021 Banking Awards by Think Business.

CPF: Fulfilling Lives Through Unrivalled Financial Management Services

With a legacy spanning 90 years in pension management, a branch network running across all the 47 counties in Kenya and services in the larger East African region, CPF Group boasts of innovative retirement, financial, infrastructural and consulting solutions through partnerships that have over the years safeguarded the interests of all its stakeholders. **Corporate Watch Magazine** *had a sit down with CPF Group Managing Director Hosea Kili, OGW in a bid to demystify the myths around pension plans, investments, social security and the future of CPF.*

Mr. Hosea Kili - OGW, Group Managing Director/CEO CPF Financial Services.

How do you define "retired"?

At CPF, we say one is "retired" once they withdraw from active working life. The concept of retirement developed due to a combination of increased life spans, growing popularity of pension plans in certain sectors, and the onset of government-sponsored benefits with the creation of Social Security. Prior to such programs, people practically worked their entire lives. If they became unable to work, their family was expected to provide for them. The situation has since changed and in order for one to achieve a fulfilled retirement, they need to plan ahead and save accordingly.

What are the key aspects of good pension plan governance/administration?

Good governance and administration are the bedrock of a well-run pension fund. There is a clear link between good governance and the fund performance so it is an essential part of effective scheme management. Key aspects involve having motivated, knowledgeable and skilled people running the pension fund. Additionally, the right structures and processes ought to be in place to enable effective, timely decisions and risk management.

Do you invest on behalf of your members? If yes, how do you monitor the performance of member-directed investments?

Investment is done through appointed investment managers. It is important to note that pension fund assets have important differences compared to other forms of collective investments. Pension funds have the objective of providing income replacement in retirement whereas other forms of collective investments are primarily concerned with short-term wealth maximization.

The differences in objectives result in different time frames over which performance should be considered and different attitudes to risk. However, despite these distinctions, the performance measures that are typically applied to pension funds are identical to those used to evaluate the performance of other types of investments.

RBA CEO, Nzomo Mutuku hands over the certificate of registration for the County Pension Fund to CPF Group Managing Director/CEO Hosea Kili, OGW and H.E Governor James Ongwae - Council of Governors (CoG) Vice Chairperson

What risk-testing framework do you have in place to ensure that investments you do for your clients' pension funds and the related financial reporting matches your clients expected returns?

Inevitably, Pension Funds' activities expose them to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. Our aim is to achieve an appropriate balance between risk and return and minimize potential adverse effects on the Funds' financial performance.

To this end, our risk management policies are designed to identify and analyze these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. At CPF we regularly review our risk management policies and systems to reflect changes in markets, products and emerging best practice. The Board of Directors in conjunction with management identifies, evaluates and addresses financial risks in close cooperation with the company's operating units. The most important types of risks for the company are credit, liquidity and market risks.

We have also put in place an Audit & Risk, & Governance Committee that is mandated to raise the standards of corporate governance by reviewing the quality and effectiveness of the internal control systems, the internal and external audit functions and quality financial reporting. This is in addition to advising the Board on best practices, and monitoring management's compliance with relevant legislation, regulations and guidelines as well as the Company's laid down policies and procedures. The committee has direct access to the Audit function.

In an article you published in your company's blog title "Why we need to make social security a Vision 2030 Flagship Project" you underscore the importance of social security services in Kenya. What are the social and financial implications of having a universal social security program?

We at CPF have been big proponents and advocates for Universal social security in Kenya. This is because we believe in universal social protection as a key element of national strategies to promote human development, political stability, and inclusive growth.

In fact, evidence shows that, in addition to reducing poverty and inequality, well-designed social protection systems with adequate benefits contribute to inclusive growth by increasing productivity and employability by way of enhancing human capital, boosting domestic consumption and demand, and facilitating structural transformation of the economy.

What pension reforms do you think are needed in Kenya to make the uptake of retirement plans successful?

The greatest challenge when it comes to social protection is the fact that millions of unorganized and informal sector workers in Kenya are excluded from formal pension and social security systems. The Question then becomes, how can we bring them into the fold?

At CPF, we propose setting up a Universal Pension Fund leveraging the Pay As You Save (PAYS) model. This means that the working population will contribute (a very small amount, as a percentage of certain classes of consumables such as airtime costs) and pension benefit will be payable to any persons aged over 65 years of age; irrespective of their previous employment history or social economic status. Similar to the road Maintenance Fuel levy, we propose that a social protection levy be imposed on certain classes of goods; which levy will go towards funding the provision of social security for all citizens and qualified residents aged 65 years and above.

This fund will also be supplemented by a Sovereign Wealth Fund, to be funded by a share of the national natural resources such as oil among others. This will ensure that the social security fund is ring-fenced against government's other priorities and therefore guarantee its sustainability.

Norway, for example, has used their oil as a source of sovereign fund, which they invest in major projects such as infrastructure funding, low cost housing yet it serves as a source of funds for those who retire. The Universal Fund project should ideally be implemented as a flagship project under Vision 2030 in order to give it the status and attention it deserves.

Extending pension coverage to informal sector workers is a core requirement for developing countries like Kenya. Do you have any plans to roll out micro pension plans for informal sector workers?

We actually have already done this through our Individual Pension Saving Product – M- Pension. With M-Pension, individuals can save as little as Kshs. 500 per month by simply dialing *289# on their mobile phones. One can also save towards Pension by redeeming Safaricom Bonga points via the short code *126#.

You believe that the government should introduce tax incentives to encourage saving for retirement. What impact do you believe this move will have on Kenyans saving culture?
Tax incentives have long been the primary means used by governments to promote savings for retirement. Countries encourage saving for retirement by taxing retirement savings in private pension plans differently than savings in alternative vehicles or offering other financial incentives. Coupled with financial literacy programs, I believe that incentives can have a far-reaching impact on our savings culture as a society.

What is your take on medium-aged people going on early retirement and investing their pension into business? Do you think this move encourages entrepreneurial activity? Do you have any programs to help early retirees invest?
Many Kenyans dream of retiring early. It is, however, important to note that not everyone will have a choice in the matter, of course. Job loss, health problems, or family responsibilities can disrupt the best-laid retirement plans, forcing people out of the workforce sooner than expected. However, if one is lucky enough to have control over when they retire, it's worth thinking through the pros and cons before you make any decisions. Even if you can afford to retire early, the options of what business ventures to engage in must be carefully weighed against the risks.

Deciding when to retire is a complex decision that isn't just a question of dollars and cents. Your health, family obligations, and individual temperament all feed into it. Perhaps most important question is whether you've thought through what you plan to do with your retirement years, however many of them lie ahead. As the wise old saying goes, it's important not just to retire from something but to something.

What has been the impact of COVID-19 Pandemic on pensions? What mitigation measures did you put in place to cushion your fund members?
The COVID-19 outbreak has created significant turmoil on financial markets both locally and internationally. Combined with the current uncertain economic climate, pension funds have been under severe pressure. In light of these challenges, we have continued to serve members and

> *Even if you can afford to retire early, the options of what business ventures to engage in must be carefully weighed against the risks.*

seamlessly deliver all services even during the Covid-19 crisis that has disrupted businesses globally. This is attributable to our state of the art IT Infrastructure and innovation in our products offering. With a fully digitized office, our staff have been able to serve members remotely; all the way from client onboarding, to records management to Benefits and Pension payments.

We also introduced an e-wallet for our scheme Pensions Payment. For Pensioners who chose this option, we are able to remit their pension directly to their mobile phones via M-pesa. This is in a bid to reduce areas of potential exposure for our Pensioners as well as enhance efficiency in receiving their pension.

Arising from the challenges posed by Covid-19, we also piloted Biometric member life verification of our pensioners, which has been very successful. Full implementation of the system was rolled-out in September 2020 after which we no longer require pensioners to physically visit our offices as a routine measure of life confirmation twice every year as is currently the case with other pension funds.

CPF has a long standing history of 90 years, a testimony of Kenyans trust in the institution. What makes your institution stand out?
What has made us stand-out over the decades is customer-centric approach to the administration and governance of the pension funds under our administration. As an organization, we have embraced a culture of incremental innovation and improvement with regards to the delivery of our services and product offering. Additionally, tapping into our human capital coupled with an attitude of continuous improvement has encouraged our most important asset (our employees) to continually come up with new ways of fulfilling the lives of our members and stakeholders.

The immediate former Majority Leader of the National Assembly of Kenya - Hon. Aden Duale joins Shariah Scholars, Retirement Benefits Authority (RBA) CEO - Nzomo Mutuku and CPF Group managing Director/CEO - Hosea Kiili, OGW during the launch of Salih - a Shariah-compliant product of the CPF at the Sarova Stanley Hotel, Nairobi.

KEMSA to Fast-Track Operations With Adoption of Digital Lab Management Software

KEMSA Ag. CEO Mr. Edward Njoroge.

In Summary

- *With the adoption of the Laboratory Information Management System (LIMS) the KEMSA laboratory will effectively manage the flow of samples and associated data to improve lab efficiency, standardize workflows, tests and procedures, while providing accurate controls of the process and hence improve efficiency.*
- *The LIMS will efficiently track samples procured and analysed to ensure all products procured by KEMSA are sufficiently analysed and the results are properly documented.*
- *The validation of LIMS will allow the KEMSA laboratory to comply with regulations and also provide comprehensive documentation on the system that is necessary to troubleshoot future problems.*
- *The adoption of the LIMS is a clear testimony that KEMSA is committed to adhering to World Health Organization (WHO) guidelines to ensure that pharmaceutical supplies meet acceptable standards of quality, safety and efficacy.*

By KJ Odongo

The Kenya Medical Supplies Authority (KEMSA) laboratory is adopting the use of a Laboratory Information Management System (LIMS) which is a software-based solution with features that support modern laboratory operations.

The key features of the LIMS are workflow and data tracking, flexible architecture, data exchange interfaces, data mining, data analysis, environmental monitoring module and Electronic Laboratory Notebook (ELN) integration as an added feature.

KEMSA Ag. CEO Mr. Edward Njoroge said the validation of LIMS will allow the KEMSA laboratory to comply with regulations and also provide comprehensive documentation on the system that is necessary to troubleshoot future problems.

The implementation of the LIMS is also expected to cut down on time taken by the various processes. This will however be quantified upon implementation but the estimated time that will be saved from the gap analysis will be approximately 25% of the time it takes to conduct analytical activities in the laboratory.

Currently the sampling and receipt of the sample is done manually posing challenges in sample tracking. The equipment too is not interfaced to any system hence calculations of the results obtained from the analytical equipment is done manually which is prone to errors. Further, manual record (Work instruction, Work sheets, COAs are drafted off the system). This leads to huge costs on paper and storage of the manual records.

"At KEMSA, quality is about more than meeting ordinary supply chain performance goals. It's about finding ways to constantly move the bar higher and improve our processes. We want to ensure our processes are interfaced to a system that will give accurate calculations of results obtained from the analytical equipment and that no error is recorded from the same," said Mr. Njoroge in an interview with the Corporate Watch magazine.

With the adoption of the Laboratory Information Management System (LIMS) the KEMSA laboratory will effectively manage the flow of samples and associated data to improve lab efficiency, standardize workflows, tests and procedures, while providing accurate controls of the process and hence improve efficiency.

Moreover, the LIMS will efficiently track samples procured and analysed to ensure all products procured by KEMSA are sufficiently analysed and the results are properly documented.

"Not only are we going to ensure the procured products are satisfactorily evaluated. We will go a step further to firmly manage the flow of sample and data associated with those samples. In doing this we will be standardizing workflows, efficiency of our labs, test and procedures to enable us provide accurate controls while refining competence,' noted the Ag. CEO.

Impact on efficiency...

The LIMS is designed to streamline and control lab activities because its configurations are set up to follow the procedure hence no allowance for deviation, resulting in reliability of the results obtained.

The system will also eliminate the need for maintaining information manually and meeting regulatory guidelines. Therefore, in the long run, the system will reduce the cost of using paper because all the worksheets will be populated in the system.

"Over and above competence, we want to ensure the LIMS revolutionises our day to day procedures by cutting manual interactions, manual transfer of data and ensuring accuracy in our undertakings," added Mr. Njoroge.

Interfacing the Analytical equipment with the system reduces manual interaction and hence will shrink errors that are associated with manual transfer of data from the analytical equipment.

The system gives visibility of the products analysed in the lab and batch performance. It will equally facilitate both easy record keeping and reporting, thus eradicating the risks of human errors and improving the overall turnaround time.

"With the LIMS, there will be real time generation of the Certificate of Analysis (COA) which will cut tremendously the turnaround time. In overall, the LIMS will enhance the Lab's adherence to good laboratory practices," said the CEO.

Quality Assurance systems ensure that all medicines and commodities conform to the highest standards possible. Apart from in-house quality control mechanisms as outlined in the official "Quality and Procedures Manual", KEMSA uses other quality certification bodies such as the National Quality Control Laboratories and the Kenya Bureau of Standards to assure quality of medical commodities.

The adoption of the LIMS is a clear testimony that KEMSA is committed to adhering to World Health Organization (WHO) guidelines to ensure that pharmaceutical supplies meet acceptable standards of quality, safety and efficacy.

Daniel Kiptoo Confirmed as EPRA Director General

By Correspondent

Mr. Daniel Kiptoo has been officially confirmed as the new Director-General at the Energy and Petroleum Regulatory Authority (Epra) effective July 1st 2021.

Mr. Kiptoo has been at the helm of the Energy Regulatory Authority in acting capacity as Director General since December 2020.

"The Energy and Petroleum Regulatory Authority (Epra) board of directors in consultation with the Cabinet Secretary for Energy, Charles Keter has appointed Mr Daniel Kiptoo Bargoria to the role

Mr. Daniel Kiptoo, the new EPRA Director General.

of Director-General for a term of three years renewable once with effect from July 1st 2021," the Board said in a statement signed by the chairman, retired Justice Jackton Ojwang.

The new DG of EPRA is an insider in the energy industry and was instrumental in drafting the Energy Law of 2019 and the Oil Law of 2019.

Prior to his appointment as acting Director General, Mr. Kiptoo worked as a legal advisor at the Department of Energy and the State Department of Petroleum.

Mr. Kiptoo will serve for a three-year term, renewable once.

Vincent Rague Elected UAP Old Mutual Board Chair

Financial services provider UAP Old Mutual Group has announced changes in its Board of Directors following the retirement of long-serving chairman and director Dr. Joseph Barrage Wanjui.

Dr. Wanjui, one of Kenya's most renowned business leaders and investors, stepped down as Chairman of the UAP Old Mutual Group Board of Directors effective June 22, 2021. The Board subsequently named Mr. Vincent Rague, who has served as an Independent Non-Executive Director at UAP Old Mutual since June 2018, to take over as Chairman.

The company says Dr. Wanjui's retirement is in line with the company's succession plan and corporate governance practices. "Dr. Wanjui has imparted immense value to the Company in his nine years he served as director. As he steps down, he leaves UAP Old Mutual Group in the strongest

Vincent Rague

position possible to achieve its goal of transforming lives and enhancing value to customers and other stakeholders. We record our greatest appreciation to the outgoing chairman for his contribution to the leadership of the Company during his tenure," said the company in a statement.

Dr. Wanjui has been instrumental in the growth of UAP Old Mutual Group across East Africa and its expanding continental footprint.

Mr. Rague, who takes the helm of the Board, is a renowned investment banker and public policy advisor, and has previously worked at the National Treasury, the International Finance Corporation and the World Bank. He is a co-founder of Catalyst Principal Partners, a Nairobi-based private equity fund, and serves as chairman at FSD Africa and JamboJet.

Mr. Rague holds a Masters in Business Administration (MBA) degree from Darden Business School in University of Virginia and is a graduate of the Executive Development Program at Harvard Business School.

UAP Old Mutual Group is a diversified financial services firm comprising Old Mutual, UAP Insurance and Faulu Microfinance Bank. The firm has 1.2 million customers across Kenya, Uganda, Tanzania, Rwanda and South Sudan.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Britam Partners With Fintech To Enable More Kenyans Access Savings And Investments

Jude Anyiko, CFA - Principal Officer, Britam Asset Managers (left), Delila Kidanu - Co-founder, KOA Alexis Roman - Co-founder, KOA during the official launch of KOA at Britam Offices in Upperhill. The fintech app will enable Kenyans access savings and investments.

By Moses Cheruiyot

Britam Asset Managers and Kenya-based fintech startup KOA, have today announced a partnership to offer customers access to low risk investment opportunities.

This partnership is the first of its kind in the market of a Digital Independent Financial Advisors (IFA) agreement. IFAs are professionals who offer independent advice on financial matters to their clients and recommend suitable financial products.

The Koa app makes it easy for customers to start their savings and investment journey with the Britam Money Market Fund in under 2 minutes. Through the partnership, Koa users can start saving with as little as Ksh100 and watch their money grow and multiply with Britam's Money Market Fund.

In Summary

- *Partnership is the first Digital Independent Financial Advisors (IFA) agreement*
- *The Koa app makes it easy for customers to start their savings and investment journey with the Britam Money Market Fund in under 2 minutes.*
- *The partnership will expand the firm's omnichannel strategy and deliver a superior customer experience.*
- *This Partnership is part of Britam Asset Managers' broader initiative to develop innovative products that support savings and investment penetration in the region.*
- *Britam recently rolled out its 2021-25 Strategic Plan which seeks to enhance customer experience by becoming more customer centric*

Britam Asset Managers' Principal Officer, Jude Anyiko, said the partnership will expand the firm's omnichannel strategy and deliver a superior customer experience.

"Britam Asset Managers is delighted to partner with Koa to rollout the country's first digital IFA agreement. This partnership will enable Britam deliver its digital savings and investment solutions in ways that are attractive, engaging, and intuitive allowing us to access new emerging markets," said Anyiko.

He added: "This Partnership is part of Britam Asset Managers' broader initiative to develop innovative products that support savings and investment penetration in the region."

Koa's Co-Founder and COO Delila Kidanu, said that the Koa App is designed to offer Kenyans an easier way to put money aside towards their personalized savings goals, encourage more people to gain control of their finances and offer a higher interest rate as compared to other savings products in the market.

"Once goals are set, Koa lets users know how much they need to save each day, week, and month to reach their goals. Through this partnership with Britam Asset Managers, Koa users can access low-risk and high growth savings and investment opportunities. This will not only enable them to reach their goals faster, but also create long-term financial resilience." said Kidanu.

"The idea of formal savings is often perceived as intimidating, inconvenient and difficult to start for a lot of young Kenyans. Koa is the only digital savings companion that makes it easy to start saving instantly and remain committed through personalized savings goals. Our goal is to put Kenyans on a clear and visible path toward financial freedom," said Kidanu.

Savings is Koa's first step into the digital financial services foray. Through partnerships and financial literacy programs, Koa is looking to fill existing market gaps and be the go-to financial companion for the Kenyan youth. Building trust and delivering great user experience for its high-interest savings products is Koa's first priority, while also leveraging other distribution channels to reach more customers. Kenya is the company's first market, with expansion plans to grow across the region.

Britam recently rolled out its 2021-25 Strategic Plan which seeks to enhance customer experience by becoming more customer centric. As part of its new strategy, Britam is seeking to capitalize on its investments in technology to expand its customer base to drive growth.

"Backed by investment in a robust IT system, Britam is today well placed to accelerate its digital programmes to ensure customers continue to access our products and services in a seamless manner. By creating a technology led strategy that prioritizes customer demands and overall customer experience, Britam has been able to provide innovative solutions through seeking digital partnerships", Anyiko said.

Savings is a key component in building financial resilience. While Kenyans are no strangers to the idea of saving, a Geopoll survey showed that only 34% of Kenyan respondents indicated that they save frequently. According to the survey, mobile money is the most popular savings platform, accounting for 54%, followed by bank accounts (48%) while chamas ranked third.

AAR Launches Tailor Made Low-Priced Accident Cover

AAR Insurance Kenya Managing Director Nixon Shigoli

Medical underwriter AAR Insurance Kenya has launched a low-priced accident cover that costs as little as Ksh 940 per month. It caters for hospital treatment of up to Ksh 10 million locally and abroad, in case of accidental injuries.

The cover dubbed AAR PROTECT Accident Cover takes care of hospitalization for accident related injuries and complications and rehabilitation. The cover has an accidental death benefit of up to Ksh. 1,000,000.

Apart from hospital expenses, the cover entitles the insured person and his or her insured dependents to air and road evacuation anywhere in East Africa depending on the accident location and seriousness of the injuries.

AAR Insurance Kenya Managing Director Nixon Shigoli says the newly unveiled policy responds to the growing need for affordable, personalized insurance products that are easily accessible online.

Overall cover limits for AAR PROTECT range from Ksh 100,000 to Ksh 10 million with monthly premiums ranging from Ksh 460 for the Ksh 100,000 limit to Ksh 940 for the Ksh 10 million limit. AAR PROTECT comes with a flexible cover period – monthly, quarterly, six months and annual- depending on unique family's needs and ability to pay.

"AAR PROTECT is a medical insurance solution that is suitable for individuals and families who not only desire affordability, but also want to manage their cover online. This cover is flexible, thus empowering our clients to choose how much they want to pay in premiums, how they want to pay it and the limits they can afford and suit their families," said Mr. Shigoli.

Eligibility for AAR PROTECT is from birth till 64 years of age.

Treatment will be available at all major local hospitals and selected overseas hospitals for accidental injuries. However, self-inflicted injuries and claims made on the day the premium is paid are excluded from the accident cover. The cover is also easy-to-access since one can apply and complete the process online using USSD code *371#, mobile phone or via the AAR Insurance Kenya website.

AAR Insurance has digitized its operations to allow customers to enjoy end-to-end services through their mobile phones and other devices. This allows for quick turnaround times thus enhancing the overall client experience and convenience.

Thousands of people die or suffer debilitating injuries due to accidents in Kenya each year. According to the National Transport and Safety Authority, 3,572 people lost their lives through road accidents in 2019, with another 6,938 incurring serious injuries and 5,186 slight injuries. Many more injuries and deaths are recorded at workplaces and homes due to accidents and assault to the person.

KEPSHA, Pwani Oil launch Essay Contest In 23,000 Primary Schools

Consumer goods manufacturer Pwani Oil Products Limited, has partnered with the Ministry of Education and Kenya Primary School Headteachers Association (KEPSHA) to roll out an essay writing competition for Standard 6 and 7 pupils in public primary schools across the 47 counties to offer a platform for the pupils to bring out the best side of life creatively, partly inspired by the challenges they face due to disruption of learning by the Covid-19 pandemic as **Corporate Watch Magazine's Moses Cheruiyo***t writes.*

(L-R) Kenya Primary Schools Headteachers Association (KEPSHA) National Chairman Johnson Nzioka, Pwani Oil Commercial Director Rajul Malde and KEPSHA National Secretary Philip Mitei during a press conference held in Mombasa to launch a national essay writing competition dubbed 'Sawa Colours in Life'. The Pwani Oil sponsored competition targets Grade 6 and 7 pupils in over 23,000 primary schools across the country.

Consumer goods manufacturer Pwani Oil Products Limited, has partnered with the Ministry of Education and Kenya Primary School Headteachers Association (KEPSHA) to roll out an essay writing competition for Standard 6 and 7 pupils in public primary schools across the 47 counties.

The competition, sponsored by Pwani Oil's Sawa soap brand, is themed "Colors in Life" and seeks to sharpen creative writing and thinking skills among pupils. Over 23,000 public primary schools are expected to participate in the contest that runs from July 1-31.

Pwani Oil Commercial Director Rajul Malde says the competition's

In Summary

- *The competition, sponsored by Pwani Oil's Sawa soap brand, is themed "Colors in Life" and seeks to sharpen creative writing and thinking skills among pupils.*
- *Creative writing is one way of helping children understand the world we live in by giving them a voice to express their ideas and thoughts, a platform to explore their talents and imagine limitless life's possibilities, even during tough times*
- *Pwani Oil is sponsoring the initiative while KEPSHA will assist in mobilizing participation across the 47 counties and overseeing the adjudication process*
- *KEPSHA is the representative body for over 26,000 head teachers in all the public primary schools in Kenya.*
- *The five winners will be rewarded with an educational tour of the coastal region including first-hand experience of Pwani Oil's Kikambala Plant, the largest soap and edible oil manufacturing facility in East and Central Africa.*

primary aim is to offer a platform for the pupils to bring out the best side of life creatively, partly inspired by the challenges they face due to disruption of learning by the Covid-19 pandemic.

"Creative writing is one way of helping children understand the world we live in by giving them a voice to express their ideas and thoughts, a platform to explore their talents and imagine limitless life's possibilities, even during tough times," said Malde during the ceremony to launch the competition in Mombasa.

He cited research conducted by the National Literacy Trust in the UK singling out creative writing as playing an important role in supporting the wellbeing of children and young people during the coronavirus pandemic.

"We aspire through this competition, to inspire our children to recreate the world they live in through written expression. This is not just a writing competition but also an opportunity for participants to share their ideas and personal journeys with the world," said Malde.

KEPSHA National Chairman Johnson Nzioka hailed the initiative saying it would go a long way in improving the education standards in Kenya.

"The contest will not only strengthen the value of accumulating knowledge to improve writing skills and creative thinking, but also earn participants recognition beyond the classroom. This is what the new learning curriculum is all about, that is, teaching children to be all-rounded characters especially in their areas of God-given talents," said Nzioka at the launch ceremony.

Pwani Oil is sponsoring the initiative while KEPSHA will assist in mobilizing participation across the 47 counties and overseeing the adjudication process. Of the top five

Pwani Oil Commercial Director Rajul Malde (Right) and Kenya Primary Schools Headteachers Association (KEPSHA) National Chairman Johnson Nzioka during the launch of 'Sawa Colours in Life', a Pwani Oil sponsored national essay writing competition targeting Grade 6 and 7 pupils in over 23,000 primary schools across the country.

essays shortlisted in each county, that is a total of 235, a panel of nine judges will pick the best five nationally.

The five winners will be rewarded with an educational tour of the coastal region including first-hand experience of Pwani Oil's Kikambala Plant, the largest soap and edible oil manufacturing facility in East and Central Africa. They will also receive certificates, trophies and assorted gifts.

Creative expression is seen as an important aspect of nurturing responsible citizens capable of contributing positive ideas to society. The KEPSHA National Chairman advocates for writing skills as a way of promoting innovative ideas and solutions to society's problems.

He disclosed that the partnership between KEPSHA and Pwani will also involve other education sector stakeholders. "I wish to announce that the Pwani Oil Limited/KEPSHA essay writing competition will be held annually to appreciate the writing talents of pupils across the country."

KEPSHA is the representative body for over 26,000 head teachers in all the public primary schools in Kenya.

Malde said the competition theme is based on the Sawa brand philosophy of "Bringing colors to life" which is about bringing out the positive elements in people's lives. Launched in 2008, Sawa has since grown to be one of the most popular bathing soap brands in Kenya, also available as hand wash and body wash

NSE Chairman Kiprono Kittony, Family Bank Chairman Dr Wilfred Kiboro, Family Bank CEO Rebecca Mbithi and NSE CEO Geoffrey Odundo at the bell ringing to mark the listing of the Family Bank Corporate Bond at the NSE.

Family Bank's Corporate Bond Commences Trading At The NSE

By Ker Mogallo

Family Bank Limited has today officially rang the bell to mark the listing and the commencement of trading of its corporate bond at the Nairobi Securities Exchange (NSE).

The Capital Markets Authority gave a nod to list the first tranche of its Medium Term Note under the Fixed Income Market Segment at the NSE after a successful offer that raised a total of KES 4.42 billion against a KES 3 billion target, marking a subscription of 147.3%.

"The response that this bond has generated demonstrates the confidence the market has in the Family Bank brand despite constrained liquidity in the money market as evidenced by the tough economic environment due to the COVID-19 pandemic. The capital raised will definitely strengthen our business position and competitiveness as we seek to strengthen our capital base to support future balance sheet growth and onward lending to MSMEs and also anchor our next phase of investments in technology," said Family Bank Chief Executive Officer Rebecca Mbithi.

In Summary

- *The Capital Markets Authority gave a nod to list the first tranche of its Medium Term Note under the Fixed Income Market Segment at the NSE after a successful offer that raised a total of KES 4.42 billion against a KES 3 billion target, marking a subscription of 147.3%.*
- *The oversubscription of the initial bond demonstrates the confidence investors have in Family Bank and affirms the importance of the corporate bond market as a key source of business financing*
- *The Bank raised KES 4.42 billion from local fund managers, banks, retail investors, insurance companies and other institutional investors. The Note will bear interest at a fixed annual rate of 13.0% until maturity on December 17, 2026.*

In April 2021, the Bank successfully redeemed its five-and-half year (5 and 1⁄2 year) Medium Term Notes (MTN) worth KES 2.0188 billion that was issued in 2016 and listed on the NSE.

"We are eternally grateful for the support accorded by all the investors who put their trust in the bank and invested with us five years ago and have once again supported the Group's capital raising plans," added Mbithi.

Speaking during the bell ringing ceremony at the NSE trading floor, Mr. Kiprono Kittony, the NSE Chairman noted, "This oversubscription of the initial bond demonstrates the confidence investors have in Family Bank and affirms the importance of the corporate bond market as a key source of business financing." "The success of this bond supplements the growth of NSE's corporate bond market that has witnessed a total capital raise of Kshs.13.6 billion in the last two years." He added.

Mr. Geoffrey Odundo, Chief Executive, NSE congratulated Family Bank on their tremendous growth over the past few years and welcomed them back to the market. "We are delighted that Family Bank are returning for another listing of their corporate bond. This is an indication of the potential recovery of the corporate bond market and an acknowledgement of the rising investor appetite in our market for debt securities."

The Bank raised KES 4.42 billion from local fund managers, banks, retail investors, insurance companies and other institutional investors. The Note will bear interest at a fixed annual rate of 13.0% until maturity on December 17, 2026.

The lead transaction advisors are NCBA Investment Bank and Genghis Capital, PricewaterhouseCoopers (PwC)as the reporting accountants, MTC Trust and Corporate Services Limited as the Note Trustees, Mboya Wangong'u & Waiyaki Advocates as the legal advisors and Tim-Sky Media Services as the Media and Public Relations consultants.

Kenya Power Unveils Customer Self-Service Portal For New Connections

The Kenya Power and Lighting Company PLC (Kenya Power) owns and operates most of the electricity transmission and distribution system in the country and sold electricity to over 8.2 million customers as at end of May 2021. The Company's vision is to be Kenya's energy solutions provider of choice by providing quality and reliable service to power people for better lives and enable the country's socio-economic development in a sustainable manner. The company is going digital to enhance efficiency and reach more customers while eliminating middlemen and cartels as **Fred Odhiambo** *reports.*

Kenya Power Managing Director and CEO Mr. Bernard Ngugi.

Kenya Power has launched a self-service portal to enable customers conveniently apply for electricity connections from the comfort of their locations.

Customers can use Kenya Power's mobile phone App 'My Power' to apply for electricity or visit https://selfservice.kplc.co.ke/ using a computer or a mobile phone.

When making their applications, customers will be required to submit land/property ownership documents, ID cards and PIN certificates through the portal.

Once they apply, customers will get a reference number instantaneously that they can use to proactively query and track their application status via USSD code *977#. The Company will also send customers text messages updating them whenever their applications move to the next stage.

"The portal is in line with one of the Company's core strategic pillars of enhancing customer experience aimed at making services more accessible to customers. The convenient application process will also help drive sales, which is among the key pillars of our turnaround strategy," said the Managing Director and CEO Mr. Bernard Ngugi.

This launch follows a successful pilot phase during which 7,000 applications were processed through the online platform.

The self-service portal will also eliminate instances of customers falling prey to fraudsters who ask them to pay for application forms or claim they can assist customers apply for power at a fee.

"Electricity application has never attracted any charges and will remain free. This digitized process will help curtail opportunities for middlemen and fraudsters to exploit customers," added Mr. Ngugi.

The online application is among several services accessible to customers through the self-service portal that the Company has initiated to enhance customer experience including *977# and 'My Power' app.

Some of the services customers can access include reporting power outages, carrying out prepaid token purchase queries, submitting meter readings to get actual monthly bills for post-paid customers, among others.

At the same time, among the efforts being put in place to enhance the new connection process is the full digitisation of the network which is ongoing.

In Summary

- *Customers can use Kenya Power's mobile phone App 'My Power' to apply for electricity or visit https://selfservice.kplc.co.ke/*
- *Once they apply, customers will get a reference number instantaneously that they can use to proactively query and track their application status via USSD code *977#.*
- *The portal is in line with one of the Company's core strategic pillars of enhancing customer experience aimed at making services more accessible to customers. The convenient application process will also help drive sales*
- *The online application is among several services accessible to customers through the self-service portal that the Company has initiated to enhance customer experience including *977# and 'My Power' app*

KenGen Becomes 1st Public Service Agency to Join Campaign Against Global Warming

Kenya Electricity Generating Company PLC - KenGen is the leading electricity generation company in Eastern Africa with a market share of more than 60 per cent of installed capacity in the country. The company's primary business is to provide affordable and dependable electric energy for the country in an environmentally friendly and sustainable manner while creating value for its stakeholders. To date, KenGen PLC has an installed generation capacity of 1,818MW, of which over 86% is drawn from green sources namely: Hydro (826MW), Geothermal (713MW), Thermal (253MW), and Wind (26MW). The Company becomes the first public service company in Kenya to join the universal campaign to battle global warming as Francis Zyder narrates.

KenGen Managing Director and CEO, Mrs. Rebecca Miano.

By CW Correspondent

Kenya's multi-billion shilling automotive industry is set to benefit from a new distributor in the market.

Inchcape Plc, a UK based multinational, is an automotive distributor, retailer, and a services company. In Africa, Inchcape has dealerships in Kenya (Inchcape Kenya) and Ethiopia (MOENCO) with Kenya being a hub for 7 other African countries.

It began its operation in Kenya in 2018 as Jaguar Land Rover dealers and later took over the BMW franchise.

Speaking during the official launch of BMW Motorrad (motorcycle) Showroom at One Africa Place Building, Westlands- Nairobi, Inchcape Kenya limited Managing Director Hussein Ibrahim said that the entry of the company in the market will ensure better service

In Summary

- *The campaign dubbed 'Business Ambition for 1.50C', is backed by a global coalition of the United Nations leaders, business organisations and Non-Governmental Organizations (NGOs).*
- *By committing to this ambition, KenGen is expected to establish emission reduction targets through investments in green and clean energy that will go a long way in limiting the earth's warming to 1.5°C as per the Paris Agreement of 2015*
- *KenGen's commitment comes at a time when the world is working towards stemming the climate change crisis by setting science-based reduction targets aimed at halving greenhouse gas emissions by 2030 and hitting net-zero emissions by 2050.*
- *Apart from green energy generation, the company is leading on the Clean Mechanisms Development initiative. Already, six of its power generation projects are registered under CDM's United Nations Framework Convention on Climate Change (UNFCCC).*

delivery as well provide better buying power to the consumer.

He added that the showroom would provide sufficient space to display BMW Motorrad products while also giving customers a bespoke experience before purchasing their preferred BMW motorcycle.

"Our goal is to ensure that we keep our customers first by providing them with the best services they can get. This state-of-the-art showroom with a variety of motorcycle models is the first step towards achieving this. One is able to touch and feel the bikes before making a purchase with test rides also available for clients." he said.

The BMW motorcycle is a top-end product defined by its sleekness, power, performance, luxury, and comfort, making it a preference for many motorcycle racers and the biking community. Biking in Kenya is expanding, with the community growing by the day. Many Kenyans today are looking for fun activities to keep them engaged.

"We have experienced brand love from our customers and the growing biking enthusiasts because of our wide product range and the brand promise of bringing joy to clients through Modern technology," added Ibrahim.

KenGen's Ngong Wind Farm Turbines.

BMW Motorrad whose tagline is "make life a ride" is part of the BMW product line that deals with the manufacture and design of motorcycles. The product line has a variety of motorcycle products to choose from depending on a person's lifestyle and bike usage. They include Adventure bikes GS series, Sport bike (S1000 RR) and Urban mobility bike (C 400 X) among others.

"Customers will be offered technical training upon purchase of the bikes to ensure that they understand their motorcycles better and can easily detect any issues. Our after sales division will also ensure that customers have the latest software updates available," Ibrahim said.

Investors Hold Extraordinary Meeting To Forge Way Forward On Two Real Estate Funds

By Francis Zyder

The investors of Cytonn High Yield Solutions(CHYS) and Cytonn Project Notes(CPN) held a virtual Extraordinary General Meeting(EGM) to discuss the status of these funds; given they have faced illiquidity following the impact of Covid–19, litigation, bad publicity and a lot of misinformation to investors.

The meeting was held to discuss how investors would be able to unlock their liquidity in the funds after the force majeure extension. The Board Chair of Cytonn Group- Professor Daniel Mugendi, thanked the clients for having stood with the Cytonn Brand this far and asked for candid, open and transparent discussions during the meeting.

Also speaking during the EGM, the CHYS board chair, Mr Maina Apologised to the investors for the current funds' position and noted that "CHYS and CPN funds continue being illiquid, given the slow performance of the real estate sector since the onset of Covid-19"

Speaking during the meeting, Elizabeth N. Nkukuu noted that "The fund manager continues to seek ways to ensure that value for all the investors is preserved and this will only be realized once the projects are complete". Elizabeth N. Nkukuu (CFA) took clients through the portfolio allocation in the ten real estate projects.

"Given time, we are confident that Cytonn will deliver the real estate projects and pay back investors" she added

The meeting also served as a platform for investors to raise their concerns directly and the management was also given a chance to respond to these concerns. Some of the concerns raised by investors during the EGM centered on the question of what it would take for investors to unlock their funds.

Investors' sentiments were geared towards repayment of their principal and interest. However as presented by their Acting Chair, Mr Maina, he noted that while he recognized their frustrations, investors could not be paid due to lack of asset sales.

Kenyan MSMEs Operating Within ICT, Agricultural Sectors – Survey

KBA CEO Dr. Habil Olaka

By Francis Zyder

ICT and Agriculture are the leading host sectors for Micro, Small and Medium-sized Enterprises (MSMEs) in Kenya, the 2021 MSMEs Survey Report shows. The report, released on Tuesday 29th June 2021, also ranks manufacturing and construction among the dominant hubs for the enterprises that collectively create an estimated 15 million employment opportunities in the economy.

The survey was conducted by the KBA Centre for Research on Financial Markets and Policy® in collaboration with the Japan International Cooperation Agency (JICA) in May this year, further indicates over 90 percent of the 279 MSMEs sampled were registered, signaling a high level of formalization. Meanwhile, over half of the businesses were fully incorporated, with 35 percent of them running as sole proprietorships.

''Most of the enterprises (80 percent) operate a bank account in their business name, while the rest (20 percent) use personal accounts,'' the report indicates,'' highlighting a narrow distinction between borrowing for business and personal needs. The report also reveals that 54 percent of the enterprises seek personal loans while 46 percent obtain credit for business support.

The survey comes amid efforts to support MSMEs in light of the COVID-19 pandemic. ''At a time when economies worldwide and more so our domestic economy continue to be characterized by fragility and substantial slack due to the COVID-19 pandemic and its containment measures, any conversation on economic recovery in a sustainable way must be centered on strengthening the MSMEs sector, '' said KBA Chief Executive Officer Dr. Habil Olaka.

''Cognizant of the fact that a strong and sustainable economic recovery in Kenya will be underpinned by a vibrant MSMEs sector, the need to characterize the environment MSMEs operate in would be important to facilitate appropriate interventions, including enhancing credit to MSMEs,'' added Dr. Olaka.

JICA Kenya Chief Programs Officer, Anne Olubendi, highlighted the need to support MSMEs. ''MSMEs are more generally seen as accelerating the achievement of wider socio-economic objectives, including poverty alleviation. Their ability to grow highly depends on their potential to restructure and innovate. All these investments need capital and hence access to finance,'' she said.

Access to MSME start-up capital remains limited. Only 22 percent of the enterprises reviewed reporting having applied for start-up loans, out of which only 9 percent were from banks; own savings (64 percent) and non-loan support from family and friends (12 percent). While 83 percent of the MSMEs reported having had their loan applications approved within three months, 49 percent said their borrowing from the different credit providers required collateral.

''In terms of employment patterns that define the size of the enterprise, most of the businesses surveyed are micro, with 85 and 87 percent having less than ten full-time and part-time employees, respectively,'' said KBA Research and Policy Director Dr. Samuel Tiriongo. He added: ''Only 9 percent of the enterprises are small (10-49 full-time employees), and 6.4 percent are medium-sized (50-99 full-time employees).''

In Summary

- *59 percent of surveyed MSMEs operate in the ICT sector*
- *Over 90 percent of the enterprises are registered*
- *The survey comes amid efforts to support MSMEs in light of the COVID-19 pandemic*
- *The survey, administered online from 7th to 21st May 2021, targeted MSMEs under the Kenya Bankers Association Inuka Enterprise Program*
- *The report ranks manufacturing and construction among the dominant hubs for the enterprises that collectively create an estimated 15 million employment opportunities in the economy.*

KenGen Board Chairman, General (Rtd), Samson Mwathethe.

KenGen Earns Ksh.2.6 B from Commercial Innovation Initiatives

By Fred Odhiambo

Kenya Electricity Generating Company PLC (KenGen) has so far earned Ksh.2.6 Billion in revenues from commercial innovation initiatives over the last nine years.

This emerged as the company held its 9th Global Innovation Seminar virtually for two days. It also emerged that the company made a savings to the tune of Ksh.1.3 Billion drawn from process improvement and implementation of continuous improvement ideas.

Energy Cabinet Secretary, Hon. Charles Keter, whose speech was read by Chief Administrative Secretary (CAS) in the Ministry, Mr. Zachary Ayieko urged the company to continue with its tradition of generating ideas adding that their candle will be used to light the way for other players.

He also challenged the energy sector to continue harnessing natural resources efficiently to not only avail clean power but also assure Kenyans of its reliability.

Every year, since 2012, KenGen has held the Global Innovation Seminar that has special focus on business growth driven by idea generation, creativity, and continuous improvement. The forum brings together employees, local, and international stakeholders. Delegates deliberate and discuss innovative ideas, geared towards enhancing the organization's value proposition and service offering as it continues to execute its mandate and core objectives.

"I look forward to proposals aimed at improving the generation process, reducing overall electricity cost along the supply chain or adding efficiency solutions such as storage of energy as this is what our country is in dire need of," said the CS at the start of the seminar.

Energy, he added, is critical in delivery of Kenya's development blueprints - Vision 2030 and the Big Four Agenda and ideas generated from the G2G seminar may be the catalyst required to transform the country's economy for future generations.

He however stressed the need for development of solutions geared towards improving energy generation process, reducing overall cost of electricity, and adding efficiency solutions such as storage.

For her part, KenGen Managing Director and CEO, Mrs. Rebecca Miano said the organization is making good progress to bring on board its first solar project of 42MW which may in future be coupled with its existing hydro generation to efficiently utilize both resources.

"This is in line with our pursuit for green, sustainable energy, aimed at positively exploiting the available resources while reducing the country's thermal power bill," she added.

She reiterated that currently the company is on track to commission the Olkaria I Unit 6 geothermal power plant later this year, adding that at 83.3MW, it will be the single largest geothermal generating unit in Africa.

"This power plant being an extension of Olkaria I Units 4 and 5 means that when complete the power plant will be a 233MW geothermal giant. This addition will push our installed capacity to 1.9GW, double the 956MW KenGen had when we embarked on our 'Good to Great' journey in 2008 and only 100MW shy of the two Gigawatts mark," she said.

In Summary

- *Every year, since 2012, KenGen has held the Global Innovation Seminar that has special focus on business growth driven by idea generation, creativity, and continuous improvement.*
- *Delegates deliberate and discuss innovative ideas, geared towards enhancing the organization's value proposition and service offering as it continues to execute its mandate and core objectives.*
- *The organization is making good progress to bring on board its first solar project of 42MW which may in future be coupled with its existing hydro generation to efficiently utilize both resources.*

Kenya Airways signs codeshare agreement with Delta Air Lines

In Summary

- *The new agreement enhances the airlines' already extensive codeshare network to offer seamless travel to a total of 39 cities across Africa, the U.S. and Canada*
- *Delta-marketed codeshare flights will also be available on Kenya Airways' services from Nairobi to Cape Town, South Africa; Harare, Zimbabwe; and Kigali, Rwanda.*
- *From New York-JFK, Kenya Airways has placed its code on Delta's services to Washington's Ronald Reagan National Airport, offering customers increased access to the U.S. capital, as well as to Indianapolis, Indiana.*
- *Delta and Kenya Airways are both members of the SkyTeam alliance. Frequent Flyers can earn and redeem miles on both airlines, while Elite Plus travelers benefit from SkyPriority services.*

By CW Correspondent

Delta Air Lines and Kenya Airways PLC have expanded their codeshare agreement, increasing the choice of destinations offered by Delta in Africa and extending Kenya Airways' reach in North America via the U.S. gateway of New York-JFK.

The new agreement enhances the airlines' already extensive codeshare network to offer seamless travel to a total of 39 cities across Africa, the U.S. and Canada.

The enhanced agreement enables Delta customers flying nonstop on the airline's services from New York-JFK to Accra, Ghana, to connect with Delta-marketed codeshare flights to Monrovia, Liberia, and Freetown, Sierra Leone, operated by Kenya Airways.

Delta-marketed codeshare flights will also be available on Kenya Airways' services from Nairobi to Cape Town, South Africa; Harare, Zimbabwe; and Kigali, Rwanda.

From New York-JFK, Kenya Airways has placed its code on Delta's services to Washington's Ronald Reagan National Airport, offering customers increased access to the U.S. capital, as well as to Indianapolis, Indiana.

"Delta is the leading U.S. airline in Africa. Strengthening our partnership with Kenya Airways responds to customer demand for more travel choice between the continent and North America," said Alain Bellemare, Delta's E.V.P and President International. "These codeshare services will offer customers greater access to destinations in South, West and East Africa, rounding out Delta's existing network of nonstop services to Accra, Dakar, Johannesburg and Lagos."

Julius Thairu, Kenya Airways Chief Customer and Commercial Officer, added, "Kenya Airways and Delta Air Lines' partnership remains central to our plans of offering the fastest connections to the Americas from our Nairobi hub and is in-line with our brand promise of enabling the sustainable development of Africa by providing access to different markets.

In addition to Washington's Ronald Reagan National Airport and Indianapolis, Indiana, other destinations we have within the codeshare are New York: Chicago O'Hare, Illinois, Denver, Colorado, Orlando – Florida, Miami – Florida, Raleigh Durham - North Carolina, Phoenix – Arizona, Charlotte - North Carolina."

Delta and Kenya Airways are both members of the SkyTeam alliance. Frequent Flyers can earn and redeem miles on both airlines, while Elite Plus travelers benefit from SkyPriority services.

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Hyundai Inaugurates Modern automobile workshop at NITA, Athi River Campus

Plan International and automobile manufacturer Hyundai have commissioned the Hyundai Dream Center – a modern facility at the National Training Authority's Athi River campus fitted with state-of-the-art hybrid and electric car engine simulators that will enhance automobile training in Kenya. The face-lift of the facility also includes the renovation of the classes, auto care centre, motor vehicle mechanic and the auto-electrics workshop. Currently, the workshop is 80% equipped, and will be fully equipped by August 2021.

Done in partnership with the Salvador Caetano Kenya organisation and funded by Hyundai Motor Company, the Hyundai Dream Centre is aimed at enhancing the existing training facility for the automotive industry to modern standards and developing capacity for young men and women with demand-driven entrepreneurship and employability skills in the automotive industry through industrial training.

Plan International and Hyundai will sponsor 120 young women and girls between the ages of 18-35 years from disadvantaged backgrounds across the country, who will be enrolled in the 9 months training course in motor vehicle auto-electrics. The training curricula for both technical and non-technical skills have been revised to meet the labour market expectations.

Speaking during the launch, Plan International Director of Operations Mr. Patrick Ngenga said that the Hyundai Dream Centre Project will address youth unemployment through enabling them to acquire technical skills in auto-electrics and non-technical demand driven employability soft skills.

"We are pleased to build capacity for our young women and girls who will change the perception that the automotive industry is male dominated. This course will bridge the gap where many young people lack job opportunities due to lack of relevant skills that match the labour market needs. The training platform will not only empower them with technical and non-technical skills, but also enable them acquire decent jobs to improve their livelihood," said Mr. Ngenga.

Through sustainable partnerships with the private sector, the auto-electrics trainees will also benefit from placements for industrial training attachment programs hosted by various motor vehicle companies and leading garages spread across the country. Out of the over 120 beneficiaries, the first 20 pioneer trainees are currently undertaking their industrial attachment.

Georgina Oginga (R) talk to Plan International Director Patrick Ngenga, Salvador Caetano Collins Okoth,Michael De Souza, NITA Board Wilson Ngahu at launch of Hyundai Dream Centre.

In Summary

- ***Plan International and Hyundai will sponsor 120 young women from disadvantaged backgrounds to the training***
- ***The boost of innovative equipment at NITA is part of the realization of one of the Big 4 Agenda's – manufacturing, that aims at assisting in training young people for improved skilled work force.***
- ***Through sustainable partnerships with the private sector, the auto-electrics trainees will also benefit from placements for industrial training attachment programs hosted by various motor vehicle companies and leading garages spread across the country.***

"The Project will focus on transferring advanced knowledge and skills in Motor Vehicles Auto-electrics, technologies; increasing the opportunities for employment and decent work for the youth and boost the number of youth engaged in wage and self-employment; and, enhancing efficiency in project management processes to facilitate self-employment and start-ups among young people", remarked the NITA Board Director Wilson Ngahu who was representing NITA Board Chairman, Kamau Gachigi.

Other organizations and dignitaries who attended the launch were drawn from the International Labour Organization (ILO), Federation of Kenyan Employers (FKE), Kenya Association of Manufacturers (KAM) and leading private sector players with an interest in quality industrial training. The boost of innovative equipment at NITA is part of the realization of one of the Big 4 Agenda's – manufacturing, that aims at assisting in training young people for improved skilled work force.

Absa Kenya unveils mortgage facility targeting middle class earners

In Summary

- *The proposition seeks to increase mortgage uptake by prospective homeowners*
- *The bank signed a financing partnership with Mi Vida Homes where customers will enjoy a discounted rate of 12.5% p.a with up to 90% financing*
- *The proposition is one of the bank's contributions towards the government's housing pillar under the Big 4 Agenda*
- *Absa's mortgage flexible offers different options towards homeownership such as financing land purchases and disbursing construction loans as well as home loans for self-employed individuals.*

By Catherine Muema

Absa Bank Kenya has introduced a 25-year mortgage facility targeting middle-income families seeking affordable homes within Nairobi.

The proposition seeks to increase mortgage uptake by prospective homeowners, offering options towards homeownership such as construction loans and home loans for self-employed individuals (SMEs) with a dedicated team of experts who will walk customers through every step of buying or constructing their dream home.

> *The proposition is one of the bank's contributions towards the government's housing pillar under the Big 4 Agenda*

Absa customers will also benefit from established partnerships with players in the homeownership value chain such as property developers, furnishing partners and home appliance partners, who will offer homeowners a wide range of benefits among them great discounts.

This was announced as the bank signed a financing partnership with Mi Vida Homes where customers will enjoy a discounted rate of 12.5% p.a with up to 90% financing.

Speaking during the signing of the Absa-Mi Vida partnership, Peter Mutua, Absa Bank Customer Network Director, urged both existing and prospective customers to invest in the lengthened payment period and low-interest rates of the Absa - Mi Vida mortgage proposition to own their dream homes.

"As a truly African bank, we understand that home is where the heart is. This is why we have availed the Absa - Mi Vida mortgage facility to employed and self-employed customers, presenting a lifetime chance to own ready-to-move-in homes. As a bank, we believe in developing sustainable financing models for our customers, we are offering up to 90% financing within market rates, over a period of 25 years to service their loans," says Mr. Mutua.

The proposition is one of the bank's contributions towards the government's housing pillar under the Big 4 Agenda and aims to provide quality family homes with sociable amenities and green spaces that enhance quality of living spaces to potential homeowners.

"We have a team of dedicated experts that will walk the journey with customers using our financial and non-financial expertise to provide credible information, services and solutions throughout every step of acquiring their dream home." adds Mr. Mutua.

Speaking during the signing ceremony, Mr. Antony Kambiriri, Chief Financial Officer Mi Vida, said, "We are delighted to partner with Absa Bank Kenya as it brings us closer to our goal of addressing the shortage of middle-income housing in Kenya. There is a huge demand for affordable and middle-income homes and through this partnership, we will bridge the gap in this market to exceed customers' expectations."

Mi Vida's project at Garden City is a first of its kind with the development centered on green space and family living. Phase 1 at Garden City offers 1. 2- and 3-Bedroom Apartments. Launched in 2019, under construction and on course to be complete by March of 2022.

Besides the Mi Vida proposition, Absa's mortgage flexible offers different options towards homeownership such as financing land purchases and disbursing construction loans as well as home loans for self-employed individuals.

Antony Kambiriri, Finance Director Garden City Development signing an agreement with Peter Mutua Customer and Network Director ABSA-PLC.

Telkom breaks up operations into separate units

Operator Telkom Kenya has begun breaking up its operations into units, establishing new subsidiaries.

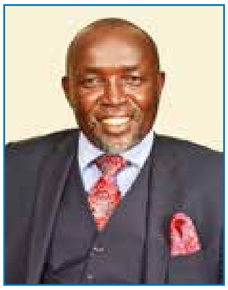
The firm says the separation marks the next phase of its transformation that will enable it to better respond to trends in the telecoms industry.

"This exercise will enable Telkom to enhance its service delivery for the further benefit to its customers. Further, the exercise is geared towards furthering our objective of making Telkom the technology partner of choice," Telkom said in a statement issued earlier at the end of May.

So far, Telkom has disclosed the creation of two subsidiaries including the Telkom Digital Limited and T-KASH Limited. Telkom Digital Limited encompasses the firm's digital service delivery unit dealing primarily with the provision of connectivity, collocation, technology solutions, operations and maintenance services.

T-KASH Limited meanwhile will comprise of Telkom's digital financial services business. The two entities will become wholly owned subsidiaries of Telkom Kenya Limited (TKL).

None of the two new units will however take up liabilities accruing to the parent firm. Telkom says no jobs will be lost from the exercise.



Transforming Lives Through a Robust Corporate Social Investment

By Dr. Macharia Irungu, MBS

In a recent gathering, I was stunned to hear of a parent who failed to enrol one of her children in school because she was living with disability. But the mother saw it wise to enrol the other two children in school as they had no disabilities. Her simple explanation was that the child was differently enabled, and hence she did not require any formal education.

This is an example of how the wider society discriminate children and our fellow citizens who suffer from various forms of disabilities which include blindness, hearing impairments, mental retardation, loco motor disability among many others. The biased treatment of persons living with disabilities is therefore cause barriers that deny them social, economic, political, education and self-developmental rights.

The above story therefore reminded me of the various challenges which Persons Living with Disabilities (PWDs) face and which ultimately deprive them of basic services by our society largely contributed by parents who discriminate and subsequently subject them to untold suffering.

It is against this background and in appreciation of such challenges PWDs face that moved Kenya Pipeline Company (KPC), through its Foundation to establish the Inuka programme. The programme has two facets: Inuka Scholarship programme that facilitates children completing their primary school education to access secondary school education and Inuka Social Empowerment Programme that aims at building capacities of PWDs in skills-based training and other economic opportunities.

KPC set up the Inuka Scholarship program in 2016 and the first batch of beneficiaries successfully selected to join the program were enrolled for Form one in various schools countrywide in January 2017. They maiden class under the scheme supposed to have completed their form four schooling at the end of last year, but they were however delayed due to the covid-19 pandemic which disrupted the education calendar nationally. With 94 new students joining the program each year, the number of beneficiaries have since grown to 376 under the scheme.

KPC through its foundation collaborates with the National Council for persons Living with Disabilities (NCPWD) in the program which enrolls two children, a boy and a girl from each of the 47 Counties in the country. The successful children who are drawn from modest backgrounds are offered benefit through this initiative in which the company pays their school fees besides meeting other basic needs.

Indeed, the programme has been instrumental in complementing the efforts of the national government towards the realization of one of Vision 2030 goals of providing equitable access to quality education at all levels. Towards this end, the Company spends a total of Kshs 14 million annually translating to Kshs 56 million since the programme was started slightly over four years ago.

While access to quality education is a constitutional right, a vast number of PWDs in Kenyans cannot afford to pay for their education in public or private schools. Unfortunately, the fact that PWDs constantly need specialized medical attention and other needs, the ripple effect of this is that other household's needs such as education are affected thus stunting their economic wellbeing and lifestyle.

Indeed, KPC has and continues to make a positive impact on society through improving the lives of individuals, special groups, and communities across the country. We have set aside resources to give back to society as our way of appreciating not only the resident communities along our easement - adjacent to our pipeline network. Undeniably, we have made a deliberate decision to consistently set aside 1% of our Profit Before Tax (PBT) and dedicated the same to Corporate Social Investment (CSI) activities annually.

Certainly, access to quality education for every child is a necessary ingredient to spur the country's socio-economic growth. This explains why we attach great importance to education as a key pillar in our Corporate Social Investments (CSI) initiatives. Through this agenda, the company aims at promoting quality education for all Kenyans. It is important to note that KPC has aligned its CSI programmes with the government goals of access to quality education for all children.

Irrefutably, sustainable CSR, which has now morphed into CSI demands a critical appreciation and understanding of the key issues that affect communities within the areas which we operate in and offer solutions that offer hope and ultimately transform the lives of the beneficiaries.

As Africa's premier oil & gas company, and as a responsible corporate citizen, we must meaningfully engage and direct our social investments to such issues sustainably and in line with our strategic objectives. The provision of quality Education, health, infrastructure among others are key considerations in our strategic vision. Certainly, our belief is that creating a lasting impact on society matters more than the profits that we may make.

Consequently, in realization of the huge impacts of a proper CSI strategy and the need to better realize the benefits of our philanthropy, we thought as KPC that we needed a more organized vehicle to drive this strategy. It is this thinking that moved us to establish KPC Foundation to drive our CSI agenda.

Through the Foundation, we seek to accelerate our social investments to communities and transform lives through the implementation of impactful initiatives. Further, a Foundation is critical for effective and centralized avenue to giving back to the society in an organized, systematic and targeted manner. Communities continue to give positive feedback about KPC in appreciation of the projects and programmes that we have undertaken for them.

Besides, the Foundation has helped us in broadening the scope of our community support options which includes offering grants to communities during emergencies in form of disaster relief and economic hardships. In 2019, we supported communities through the Red Cross Society of Kenya the victims of landslides in West Pokot to reconstruct their homes.

Significantly, sustainable CSI can easily be achieved through a Foundation. This is because sustainability demands that firms should prioritize increased and high-level accountability and transparency not only with the key shareholders, but the community at large. Such candidness is easily achieved. Through our Foundation, KPC has been able to work closely with communities along our right of way in partnership with other major stakeholders and has been able to respond sustainably to potential environmental challenges associated with our business since it is much easier to communicate the impact of the business to the society, without having to justify your existence in times of a crisis.

Dr. Macharia Irungu, MBS is KPC Managing Director

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MISSION:
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