



Blogs-opinion

Why the Global Fund pledges matter

Rolland Kaya / Wednesday, September 21, 2022

Imagine you are infected with HIV. Imagine you have been in very poor health for many months but, since you have been on antiretroviral (ARV) treatment, you have regained a normal healthy life without the risk of transmitting the virus to your partner or children. As long as you take your pills every day, you live a normal life in terms of work, love and children.

Now imagine Covid-19 arriving. The pandemic makes it difficult for you to continue your treatment. Your health centre is now closed, the health workers ill or absent, the supplies of medicines have become irregular.

Your transport to town is suspended, with movement confined during lockdown. With the last of your available pills getting closer, worries grow.

You might take a pill every two days, maybe you borrow some pills from other patients, maybe you pay very expensive ones on the market. But in the end, you might have to interrupt your treatment.

Your treatment might become available again eventually but it takes time for the health system to get things sorted out. Meanwhile, the virus has started to circulate again in your body, attacking your immunity. You're again at risk of infecting others. But your health centre has neither the tests to detect this nor the drugs to treat your tuberculosis (TB) or other opportunistic infection quickly enough.

If you live in a low-resource context, your health and your life will depend on international donors and, in particular, the Global Fund for HIV, tuberculosis and malaria. In many countries, the Global Fund is the main, and often only, financial source for the prevention and treatment of these three diseases.

Today, countries are expected to announce their pledge to replenish the Global Fund. The Global Fund and the technical agencies calculated that a minimum \$18 billion is needed for three years (2024-2026). That implies the necessity for a 30 per cent increase in pledges.

Reaching this target will determine to a great extent what can be done in the fight against HIV, TB and malaria. It will also determine how far it will be possible to mitigate and to recover from the losses caused by the Covid-19 crisis. Who can restart his/her treatment before Aids, TB and death win the race? What losses can be regained, and which ones will remain standstill or backslide?

Many donor countries are slow to make their pledge and many fail to go beyond flatlining their pledge of three or six years ago, which, in practice, corresponds to reduced pledges. Kenya is both a contributor to the Global Fund and an implementer of its programmes. In the sixth replenishment, covering the 2020-2022 period, Kenya pledged \$6 million but contributed \$4 million.

The hesitation of donor countries makes it uncertain if even the Global Fund replenishment minimum target of \$18 billion is reached. Positive announcements have come from the United States, Japan and Germany but pledges from many other high-income countries are still missing.

However, the US condition their contribution to one-third of the total amount meaning that, if other countries fall short of the requested 30 per cent increase, the US will also reduce its current \$6 billion pledge. A shortfall thus carries a double whammy risk or a double responsibility, if you will.

In the global discourse on pandemic preparedness and response, the focus lies mostly on future outbreaks of emerging diseases with risks to high-income countries. Little attention goes to people's needs due to prevailing pandemics such as HIV, TB and malaria. Should the Global Fund's replenishment fall short, it'll be very hard to take the current claims about pandemic awareness seriously.

Now imagine that the Global Fund is broke. Imagine what will happen if donors do not pledge according to the needs of the Global Fund. Imagine your country failing to pay the expected donor contribution to the Global Fund, breaking the promise of worldwide solidarity to fight HIV, TB and malaria.

MSF teams don't need to imagine. In several countries, they already see the consequences of funding shortfalls. They describe what gaps in essential care exist and what impossible dilemmas are created: Who should be short-changed or what services need to be rationed?

MSF has published a briefing paper to explain how these shortfalls in funding for sufficient HIV and TB tests block the timely start of treatment, how health providers cannot provide care according to the quality standard, how patients are



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excluded or driven into poverty to obtain life-saving drugs, and how essential malaria interventions had to be cancelled. Imagine.

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End of Why the Global Fund pledges matter



Ruto is on right track of mentoring new crop of young political leaders

Njeri Rugene / Wednesday, September 21, 2022

One of the issues that appears to be close to the heart of President William Ruto as his Kenya Kwanza administration gets down to work is the need and importance of political mentorship.

In his address in Nairobi to the first caucus of the coalitions freshly elected leaders on August 17, the then-President-elect singled out mentorship of the new younger leaders, particularly those elected to both Houses of Parliament.

Dr Ruto was categorical that, together with his deputy Rigathi Gachagua, party leaders and other officials in the coalition, the leadership will be intentional in mentoring the younger politicians to make successful leaders out of them. In addition, doing so would mean growth of solid leadership when the older ones leave the political space, particularly within Kenya Kwanza Alliance.

The success of any leadership, he reasoned, is in mentorship of the youth into better leaders. Pointing out that the coalitions leadership believes in that principle of leadership, he told the grouping: My deputy and I have agreed that when our time to leave comes, we will [have mentored] other people into better leaders to make sure we have proper transition in our Kenya Kwanza formation.

Mentorship

He added: We undertake that we will do that for the people, the leaders in our Kenya Kwanza formation alongside the other leaders [who joined the alliance after elections].

It is a message that President Ruto would repeat and dwell on at length at the Kenya Kwanza parliamentary groups two-day working meeting in Naivasha last week. This is an indication that his leadership is serious about the mentorship of the youth for better leadership and governance.

There is room for progress in as far as election of more young people, particularly to Parliament and county assemblies, is concerned. However, the August 9 general election brought with it an unprecedented number of elected politicians within the age 35 youth bracket and a bigger number below 40.

They include 24-year-old Bomet Woman Representative Linet Chepkorir Toto, her Kirinyaga and Lamu colleagues, respectively, Njeri Maina, 28, and Muthoni Marubu, 30, and Nyandarua Senator John Methu, 31, and Elgeyo Marakwet Governor Wesly Rotich, 34.

Mentorship of the countrys younger leaders is the way to go for the nations future and stability. It is more sound when the nations top leadership undertake to make it part of the agenda and focus. In a country where gender balancerepresentation of women, in particularis still wanting, mentorship of younger women politicians is an excellent way of not only attracting more of them to the space but also sustain the numbers and grow many others to positions of leadership.

Women leaders

Quite a few women leaders in the current structure have indicated that mentorship saw them rise to their positions. They include Governor Cecily Mbarire, the youthful first female Embu County boss who first joined the National Assembly as a nominated MP after serving as a university student leader. The former Runyenyes MP has in the past singled out veteran politician and trailblazer Phoebe Asiyo and former Kitui Governor Charity Ngilu as among her political mentors.

With the big number of younger female politicians in the country in Parliament and at the county assemblies and governments, including nominated ones, it is fundamental that the older ones, particularly, as well as womens rights organisations and related interest groups, give much attention to mentorship of younger women political leaders.

Notably, the Kenya Women Parliamentary Association (Kewopa), which draws its membership from women legislators from the National Assembly and the Senate, runs a leadership and mentorship programme that includes a peer mentorship with older female politicians guiding the younger ones.

The programme is a great way to start off the 13th Parliament with its unprecedented numbers of young women. It will come in handy as a vehicle to carry out the crucial mission.

Ms Rugene, a consulting editor, is the founder of the Womans Newsroom Foundation.

End of Ruto is on right track of mentoring new crop of young political leaders



Ngure Kamau Sahrawi: The war that world has forgotten

Ngure Kamau / Wednesday, September 21, 2022

The history of Polisario Front is an intricate one. The outfit dates back to 1971, when a group of young university students in Morocco came together and founded it.

Its birth officially began the secession war to kick out Mauritanian and Moroccan armies from Western Sahara, an area occupied by the indigenous nomadic Sahrawi but annexed by Spain and granted to the two.

A lot of water has gone under the bridge but the conflict goes on with no end in sight any time soon. Mauritania withdrew but Morocco fights on.

When the war began, Nelson Mandela was on his seventh year of life imprisonment on Robben Island for the liberation struggle in South Africa. Zimbabwe (Southern Rhodesia) was under white minority rule. Idi Amin had just taken over in a coup in Uganda. Namibia was under German rule and Angola and Mozambique under Portuguese.

In Europe, the Union of Soviet Socialist Republics (USSR) was one huge sovereign union comprising 12 countries that are now autonomous. And we had East and West Germany as separate states.

Long-running conflict

The presence Sahrawi President Brahim Ghali at President William Ruto's inauguration on September 13 had Kenya sucked into the long-running conflict. The invitation and public introduction and acknowledgement of the leader who came in blue flowing Islamic garb came as an afterthought, coming after all the other leaders had been introduced.

Although his official arrival, with full state escort, was befitting a head of government and met with loud cheers from the crowd, the newly sworn-in President Ruto did not recognise his presence alongside other leaders in the front seats. His presence would only be acknowledged later after Ugandan President Yoweri Museveni and his Tanzanian counterpart Samia Suluhu Hassan had spoken.

Recognition and autonomy

Sahrawi is a desolate territory with no arable land and a 700-mile coastline, making fishing the only economic activity. But its people have fought for recognition and autonomy for a long time. The conflict has condemned it to the periphery. But now, Kenya now finds itself right in the thick of it.

The UN has not recognised Sahrawi Arab Democratic Republic (SADR) but, since 1979, considers Polisario Front as the duly recognised legitimate representative of the people in the independence struggle. Algeria and Mauritania have historically backed the establishment of SADR, to the chagrin of its neighbour Morocco. So does Nigeria, under President Mohamed Buhari. Ironically, Nigeria fought a bitter civil war in 1967-1970 to stave off the proposed secessionist Republic of Biafra.

In the circumstances, it may be imprudent to keep the nomadic people of Western Sahara waiting any longer for the autonomy of their territory. It seems no amount of force or cajoling, including a 1991 UN-brokered ceasefire, can stop the Sahrawi people from pursuing their goal of self-rule.

Mr Kamau is a human resource management specialist and author.

End of Ngure Kamau Sahrawi: The war that world has forgotten



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Community policing key to winning war on terror

Michael Mugwang'a / Wednesday, September 21, 2022

Community policing is one of the most successful counter-terrorism measures as defeating terror calls for recognition that a secure and safe environment is the shared responsibility of citizens and security agencies.

This active and equal partnership helps to win the hearts and minds of the people and build community resilience against terrorism. It also ensures relevant preventing countering violent extremism solutions relevant to a locality are developed with and by the people. Such initiatives are key to the success of any strategy. Community engagement and community policing focus on building trust with local communities by engaging them as partners in developing solutions relevant to local issues.

Community policing recognises that it is impossible to solve public safety problems like radicalisation and recruitment alone and interactive partnerships with the community and other counter-terrorism champions cannot be underrated. Preventing and countering terrorism require concerted efforts. Strong police-community relations are a vital foundation for security agencies to identify individuals at risk of radicalisation and violent extremism. They can then work with community leaders to counter the influence of violent extremism.

Terrorism

Over the years, community policing has seen a reduction in crime rate as communities view the police as a legitimate authority and equal partner rather than external, imposing force, forming the backbone of this success. Whole community approach is necessary to prepare for acts of terrorism and targeted violence since the time to build and strengthen relationships is before a crisis, not after.

There is always a local dimension to terrorism. That community policing can thwart an attack cannot be gainsaid. For an attack to occur, terrorists need to recruit people, acquire different types of materials, weapons, move without detection, scout for hideouts and mode of communication and access vulnerable targets. But with visible and easily accessible police officers and facilities, and positive community engagement fostered through broad outreach and transparency, members can report suspicious activities and people for intervention.

Intelligence is often a by-product of effective community policing, where the public has developed trust and confidence in the police. Communities also act as an early warning system for security agencies. Community engagement and community policing are inseparable as the latter capitalises on community contributions. That has combated crime and built a climate of trust through dialogue and contribution by opinion leaders and members.

The security landscape in Kenya has shifted over time, with a significant reduction in the number of attacks. That is attributable to concerted efforts, both hard and soft power approaches. Security agencies and the community should exploit the available areas of collaboration, the silver bullet in preventing and countering violent extremism.

Mr Mugwanga, a communications consultant, is a member of the Crime Journalist Association of Kenya (CJAK).

End of Community policing key to winning war on terror



Blogs-opinion

Let Ruto be ruthless with cartels

Kennedy Chesoli / Wednesday, September 21, 2022

I never, for a moment, doubted that William Ruto would be the fifth President of Kenya. Signs of his decisive victory bar shenanigans from his predecessor were everywhere. Betting against Dr Ruto was simply a fools errand, as many have regrettably come to learn.

The man has never lost a battle in his entire political career. When he first arrived on the political scene in 1997, he did so in style: He trounced Reuben Chesire, one of President Daniel arap Moi's long-standing allies, in a defeat that sent shock waves across the country. He would then go on overcoming obstacles, overpowering opponents and scaling the political ladder.

I penned several pieces explaining why President Uhuru Kenyatta and his candidate, Raila Odinga, could not possibly imperil Dr Ruto's political aspirations.

As with millions of fellow Kenyans, I couldn't be happier with a Ruto presidency. He has the markings of a great leader. His background and humble beginnings, centred around the Church, and reliance on the government and public institutions for education, healthcare, recreational and later employment, would no doubt inform his efforts at reforming and shaping the public and civil service sectors.

The terror and era of rent-seeking cartels that had hijacked the government is over. President Ruto has signalled, rather powerfully, his intention to keep the promises he made to the Kenyan people.

Financial autonomy

In his first five days in office, he initiated the process that would free the port from cartels and liberate its operations. He also moved to swear in judges whose promotion had been set aside by the previous regime on frivolous grounds and gave the National Police Service financial autonomy and accountability. He also terminated costly and inefficient fuel subsidies that had diverted immense public resources to a small number of individuals.

These are big, bold and praiseworthy achievements undertaken well before the Cabinet is constituted. But the President also faces significant challenges, given financial impropriety and blatant diversion of public funds that has been afoot since early 2018.

Not only are state coffers nearly empty but the outgoing President also left behind staggering bills of more than Sh500 billion! The country's sovereign debt has also grown out of shape with repayments expected to consume the lion's share of the tax revenue. Unless efforts to mobilise resources domestically are scaled up, there won't be sufficient funds to support economic recovery and offer families relief against the rising cost of living.

The Kenya Kwanza manifesto sets out a great vision and outlines practical pathways for addressing many of our socioeconomic challenges. More importantly, the President has stressed that dealing with state capture, dismantling cartels, fighting corruption and sealing tax evasion loopholes are key in realising development finance as well as liberating and putting the country on a sustainable path of growth and development.

He should go further and put in motion a mechanism for recovering stolen assets, including billions of taxpayers' funds that are held in secret offshore accounts. It is imperative that government bureaucrats and functionaries who aided and abetted these vices be removed and their positions offered to men and women of integrity. Also, those who supported, excused or justified fraudulent schemes such as Huduma Namba, BBI and the Covid scam must be excluded from this hustler government.

Economic pain

There are no quick fixes to the Kenyatta-created mess. Clean-up will take time. Also, the economic pain is likely to get worse before things get better. Ending market-distorting fuel subsidies may, in the short run, push prices upwards but liberating the sector from the stranglehold of cartels would create competition and efficiency both of which could eventually contribute to stable and low prices.

The President must also defeat cartels who enrich themselves by importing and dumping (at times poisonous) sugar in the country, impeding local production. The government must leverage the strong domestic sugar demand by creating policies and interventions that would create jobs, revitalise sugarcane growing and jump-start the scores of moribund and decaying mills, including Mumias Sugar Company.

President Ruto is a tenacious, hardworking go-getter. He embodies the dreams and aspirations of millions of Kenyans



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born in poverty with little or no opportunities to excel. He is an accomplished politician with a knack for solving problems by seeking solutions outside the proverbial box.

Given the freshness that he brings to the Presidency, its important that the country and its development partners support Dr Ruto in his efforts to create opportunities for all. But as he strives to build on the positive strides made by his predecessor, President Ruto must be quick in rejecting and undoing actions and policies that harmed our nation.

In dealing with the cartels, the President should be ruthless.

Mr Chesoli is a New York-based development economist and global policy expert.

End of Let Ruto be ruthless with cartels



New IFC podcast promotes women in Africas renewable energy sector

Unknown Author / UnKnown Date

With renewable energy forecast to play a growing role in Africa's energy future, IFC has launched a new podcast series to promote the role of women in the sector as senior executives, engineers and thought leaders.

In the She Powers Africa podcast, host Terryanne Chebet, an entrepreneur and media specialist, speaks with leading women in Africa's renewable energy space to light the path for the next generation of African women leaders into the dynamic sector.

The first three episodes feature Jennifer Boca, Head of Environmental, Social and Governance at Lekela Power; Olaedo Osoka, CEO of Daystar Power in West Africa; and Carol Koech, the Country President for Schneider East Africa.

This engaging podcast is ideal for women interested in working in the renewable energy sector and also for anyone concerned about climate change in Africa and curious about the practical solutions. Renewable energy is Africa's energy future and ensuring more women are part of that future will enhance the sectors success," said Anne Kabugi, IFC's Regional Gender Lead for Africa.

By 2040, renewable energy could account for more than 60 percent of new electricity generation in sub-Saharan Africa, excluding South Africa, according to the Africa Energy Outlook 2019 from the International Energy Agency.

But, despite the sector's importance, women lag behind men in leadership and technical jobs in the renewable energy sector and represent just one third of the renewable energy workforce in Africa, according to research conducted by IFC on womens participation in Africa.s renewable energy sector.

The podcast is produced by IFC's Energy2Equal programme and its Women in Renewable Energy in Africa Network (W-REA), which both aim to enhance women's participation in the renewable energy sector.

Listen in.

End of New IFC podcast promotes women in Africas renewable energy sector



EMTECH to pilot a US CBDC in The Digital Dollar Project Sandbox Programme

Unknown Author / UnKnown Date

EMTECH, a first-of-its-kind central banking infrastructure provider, has announced it will take part in the recently introduced Technical Sandbox Programme by The Digital Dollar Project to explore the new possibilities of a US Central Bank Digital Currency (CBDC) the digital dollar.

As one of the four announced technical vendors, EMTECH will bring its unique API-First and Energy Efficient CBDC Platform to test various use cases for cross-border payments.

The firm is joining a high-profile group of former US regulators and financial services experts. This initiative marks the next step in our effort to convene the private and public sector in a symbiotic exploration of a central bank digital currency in the US, said Jennifer Lassiter, executive director of The Digital Dollar Project.

EMTECH's Founder and CEO, Carmelle Cadet, is a former Global Business and Finance Leader at IBM. In 2021, she was invited by the US Congressional Financial Services Committee to testify on whether the US dollar should be digital. A market leader in central banking infrastructure, EMTECH's mission is to leverage technology to enable access to inclusive and resilient financial ecosystems. It's exciting to be part of the Digital Dollar Project Sandbox, and we are looking forward to collaborating with the federal government, policymakers, and private sector organisations to pilot CBDC options that encompass retail or wholesale models for cross-border payment use cases, said Mrs Cadet.

In her testimony, she highlighted the firm's vision and focus on helping central banks to build modern digital cash infrastructure using blockchain and distributed ledger technology (DLT). A consistent recommendation to the White House and the Congressional Committee is the use of a regulatory sandbox to enable faster and safer innovation from and with the private sector.

The current ecosystem for cross-border payments is a complex nightmare for financial service providers to navigate. EMTECH's CBDC Platform, with its API-First approach and high-performance DLT, is a more modern design that we're excited to bring to the Technical Sandbox Programme, said Tabor Wells, Chief Technology Officer at EMTECH.

Earlier this year, the firm announced its partnership with Hedera Hashgraph to build an energy-efficient CBDC to support its newly announced GREEN CBDC Framework, which is designed to help central banks unlock unprecedented value in deploying a CBDC. A key pillar of the framework is reducing the carbon footprint of financial services, while also limiting energy demand from fragile power structures. You can learn more about the GREEN CBDC Framework at greencbdc.com and emtech.com.

Read more about the technical sandbox in DDP's Press Release.

About EMTECH

EMTECH is building the next generation of central banking Infrastructure to drive inclusive and resilient financial markets. The company provides software solutions and services to connect central banks, other regulators, and financial services providers, in a user and developer-friendly way.

EMTECH's API-First platforms power regulatory data exchange, currency issuance, and currency movement in financial markets. It is a diverse global firm that makes financial ecosystems inclusive and resilient by design. For more information, visit www.emtech.com.

End of EMTECH to pilot a US CBDC in The Digital Dollar Project Sandbox Programme

Unknown Author / UnKnown Date

By Evans Ongwae

Kenya performed well in cushioning its citizens against Covid-19 economic shocks, but could have done better. This is the overall scorecard by UN Women, following a study. In particular, the report stresses the importance of ensuring that adopted economic stimulus and recovery packages are gender responsive and address the gender equity gaps.

Titled, *Engendering Fiscal Stimulus Packages and Recovery Efforts Adopted in Response to the Covid-19 Health and Economic Crises*, the report states: Compared to African countries, efforts by Kenya to cushion and promote recovery of citizens and businesses during Covid-19 through Economic Stimulus packages are commendable. However, UN Women points out that the country could have achieved more had it made those fiscal and monetary measures more gender-responsive.

The study is a gender-responsive assessment of the fiscal and economic stimulus package adopted in response to Covid-19 in Kenya. It provides vital recommendations for engendering government measures in response to crises as well as for economic recovery now and in the future. It pinpoints where the governments stimulus packages fell short, and offers suggestions on how to make economic stimulus packages more responsive to the needs of women, men, boys, and girls.

Engendering economic stimulus packages means taking into account the experiences and specific needs of women, men, girls, and boys, as well as the underlying causes of vulnerabilities, including gender gaps or inequalities, gender relationships, power structures, social norms, and leadership. These should count in both the design and implementation of the stimulus measures, the report states.

During the launch of the report last month jointly with Kenya's Cabinet Secretary for Public Service and Gender, Prof Margaret Kobia, the UN Women Kenya Representative Anna Mutavati, reiterated the importance of gender data in ensuring women and girls were not left behind in the development agenda.

We know that gender equality and womens empowerment are prerequisites for strong institutions, stable communities, and economies. Evidence from all around the world shows that investing in womens economic empowerment sets a direct path towards gender equality, inclusive economic growth, and wealth creation.

The UN Women study compared Kenyas response with what South Africa and Nigeria did. It recommends some lessons for Kenya to pick from the responses of the two Sub-Saharan African nations.

Consideration of the needs of women, men, boys, and girls in the design and implementation of the economic stimulus packages enhances economic and social inclusion and prospects of achievement of outcomes of cushioning against the shocks as well as recovery from the Covid-19 pandemics, the report offers.

The study is anchored on UN Womens commitment to supporting government efforts that contribute to womens livelihoods and their access to social protection, healthcare, infrastructure, food, and housing, among other sectors that the government has prioritised.

The analysis focused on economic stimulus packages implemented during the financial year 2020/2021. These include cash transfers to vulnerable families; National Hygiene Programme or the Youth Employment Programme; support to the educational sector; support to small and medium-sized enterprises liquidity; support to the construction sector; support to the health sector; support to the agricultural sector; support to the tourism sector; support to the environment; and support to the manufacturing sector.

An important underlying factor in response to and adaptability to changes in times of pandemics and crises is the feminisation of poverty, the UN Women analysis notes.

The study found that women, more than men, were deprived of social economic participation, information, and nutrition, and were generally multi-dimensionally poor. This is a key salient pathway in which gender contributes to disproportionately negative impacts of Covid-19. Women are also, more than men, involved with caregiving activities, including caring for the children, the sick, the elderly, and persons with severe disabilities.

Gender inequalities cause women and men to respond and adjust to pandemics and crises differently. Disasters and pandemics such as Covid-19 disproportionately and negatively affect women and girls when compared to men and boys, because of gender segregation in most economic activities, which is further reinforced by gender inequalities.



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Moreover, there has been an increase in gender-based violence, more specifically violence against women and girls.

Following the study, UN Women suggests that in times of crises, such as those comparable to the Covid-19 pandemic, Kenya could:

Consider expanding the sector coverage (of its stimulus package) for better economic recovery outcomes. This includes extending support to sectors such as housing, energy, and transport infrastructure. Temporarily expand social protection coverage during pandemics, through special programmes to reach previously uncovered beneficiaries. Consider extending social protection to practitioners in early childhood development, small-scale farmers and teachers, as well as those in creative, cultural, and sports sectors. Increase the amounts of cash transfers per recipient, for all the existing beneficiaries. Consider establishing a social relief from distress grant for caregivers, aimed at reducing increased unpaid care work during pandemics. Consider targeting micro, small, and medium enterprises (MSMEs) in all sectors of the economy, and not only in certain selected sectors. Consider implementing an unemployment insurance fund and compensation fund for health practitioners, and provide a temporary employee relief scheme for domestic workers. Consider enforcing the Access to Government Procurement Opportunities (AGPO) provisions, or even increasing the proportion reserved for women businesses. Implement special support to survivors of gender-based violence (GBV) and also, in partnership with civil society, establish a mechanism for linking them to shelter houses. This would address some of the challenges related to increased GBV during pandemics.

Overall, the analysis showed that the size of Kenyas provisions regarding various fiscal measures is small, measured by the size of the issues the specific measures target.

End of UN Women to Kenya: You did well in cushioning citizens against Covid-19 economic shocks, but



Digital payments ignite a new era of hope for SMEs in Kenya

Unknown Author / UnKnown Date

By Shehryar Ali, East Africa Country Manager, Mastercard

Its no secret that the pandemic was especially tough on small and medium enterprises (SMEs), particularly the many small cash-based businesses that operate in the informal sector. These businesses are the lifeblood of economies, and the fact that they couldnt generate incomes or apply for micro-loans to stay afloat, had a knock-on effect on everything, from employment to general community wellbeing.

In Kenya, SMEs account for 80 percent of jobs. In 2021 alone, an estimated 22 million jobs in Africa were lost, pushing more people into poverty. Its a devastating cycle that can only be broken with multiple actions technology and partnerships being chief among them as this challenge cannot be tackled through a single approach.

This challenging period did not have many silver linings, but one outcome that will have a positive impact on SMEs going forward is the increased rate of digitisation.

During times of limited mobility, more small businesses realised the necessity of selling online and getting paid digitally. This helped to boost cash flow without having to exclusively depend on the much harder and more arduous journey that cash entails to change hands.

The value of light

When I think about the economic strife experienced by so many cash-based SMEs during the pandemic, but also the fortunate acceleration of digitisation, I am reminded of the old Kanga saying: The value of light is noticed when night falls.

By now, the case for digital transformation is well established. Access to digital tools, associated training, credit, and resources, are key, not only to the growth of SMEs, but also integral to their survival. Ensuring that these smaller businesses have access to and benefit from the digital economy, is something that Mastercard is very passionate about.

SMEs are recognising the practical benefits of digitisation in day-to-day operations, as opposed to viewing it as a long-term project for the future. Data shows that 41 percent of SMEs that implemented digitalisation initiatives had stronger revenue growth in 2020 than non-adopters. Thats not the only benefit. Going digital better insulates SMEs against economic shocks, as they can tap into the global economy, reach a wider market, and accept cross-border payments.

Furthermore, as more consumers adopt and use a variety of electronic payments, this two-way digital adoption offers increased benefits for both the business and customers. People do not want to be stuck in a cash economy, which effectively leaves them locked out of many economic activities. They want access to a variety of financial services, and more retail choices.

A digital economy that continues to expand

With every passing day, the digital economy is increasingly becoming the economy. That is why digital inclusion is so critical. We all benefit when more people are connected to the digital economy.

At Mastercard, weve made it both our business strategy and our social responsibility to ensure that people and organisations have access to networks, tools and solutions that could help them reach their full potential and achieve financial security. We have pledged to bring one billion people and 50 million micro and small businesses into the digital economy by 2025, with a direct focus on providing 25 million women entrepreneurs with the solutions they need to grow their business. So how do we do it?

Solutions that support small business resilience

Access to credit is one way, and its something we do with data. Digitalisation of SME operations brings the benefit of generating this helpful data. This same data enables financial institutions to make more informed decisions about extending credit one of the key challenges for small businesses. A digitised record of transactions enables more small businesses to be brought into the financial mainstream, with access to finance solutions that can support their growth.

A great example of Mastercards Track Micro Credit Programme, fuelled by digital transaction data from the beneficiaries themselves, can be seen in Kenyas Jaza Duka initiative. Designed for micro merchants, this inclusive credit ecosystem gives small shop owners short-term credit and digital payment capabilities to help them build their creditworthiness and stock their shelves without having to rely solely on cash. Digitisation is empowering these small



Digital payments ignite a new era of hope for SMEs in Kenya

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businesses to reach their true potential.

Collaboration brings scale, and wider inclusion

Partnerships are also crucial to ensure scale and impact. Just like Jaza Duka was originally launched with the help of Unilever, KCB and Mastercard, it was further scaled in partnership with Kasha this year. Another 5,000 MSMEs now have access to Jaza Duka through Kasha, a purpose-driven digital retail and distribution platform focused on providing women with affordable health and wellbeing products.

In addition, many of these newly included small businesses are run by women entrepreneurs, who are among Africa's most formidable, but also most marginalised, business owners. So, this is truly inclusion in action, on two key fronts.

Kasha has a long legacy of collaboration with Mastercard, having joined our Start Path engagement programme for start-ups in 2019. We've also invested in the e-commerce platform, and it's great to see this new chapter making such a positive impact on even more businesses.

The journey continues. At Mastercard, we're leveraging our technology, innovation, and solutions beyond payments to help small and medium enterprises get paid, get capital and get digital safely and securely wherever they are. We are dedicated to enabling businesses to survive and thrive stronger than before. This is how we are Empowering Every Business. Everywhere.

End of Digital payments ignite a new era of hope for SMEs in Kenya