

The Chronicle

WEEKLY

ISSUE 0018

OCTOBER 5, 2026

Dangote deal has become a test of political transparency

QUESTIONS ABOUT THE GOVERNMENT'S AGREEMENT WITH DANGOTE ON THE SH2.07 TRILLION LAMU REFINERY HAVE SPARKED A SECOND DEBATE: HOW MUCH TRANSPARENCY SHOULD THE PUBLIC AND PARLIAMENT BE ACCORDED ON A MAJOR PRIVATE-LED NATIONAL INVESTMENT?



Universal Healthcare: SHA's next test is not registration

CONTRACTING PROVIDERS, DIGITISING CLAIMS, AND MOVING THE SYSTEM ONTO A COMMON PLATFORM. THAT IS WHERE THE PROMISE OF TAIFA CARE MEETS THE REALITY OF THE HOSPITAL.

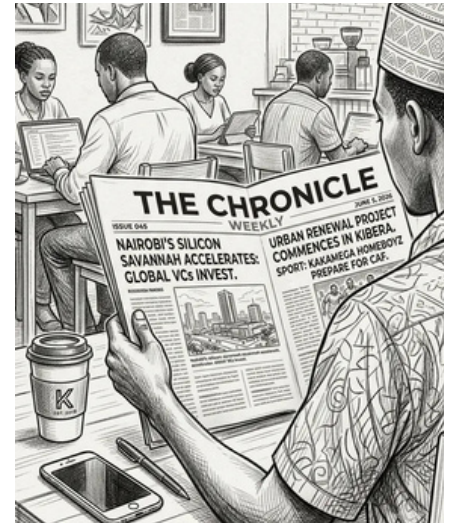
Lamu's heritage is only as safe as the livelihoods beneath it

A REFINERY, A PORT, A NEW ECONOMIC ZONE AND A PROMISED CITY ARE ARRIVING. WHETHER LAMU STAYS LAMU DEPENDS LESS ON WHAT IS PRESERVED THAN ON WHO IS STILL ABLE TO MAKE A LIVING FROM IT.

The Chronicle

WEEKLY

IN THIS ISSUE



PERSPECTIVE

Dangote Refinery: Lamu has always been Vision 2030's hardest test

The port is built; the corridor is not. Can Kenya build the ecosystem around its biggest Lamu bet yet?

PERSPECTIVE

The Dangote deal has become a test of political transparency

Parliament, the public and a land dispute all want to know what Kenya has agreed to, but how much disclosure is enough?

DATA STORY

Bigger balance sheets, smaller payouts

SACCOs crossed Sh1.21 trillion in 2025, yet dividends and deposit interest fell for a second year.

POLITICS

An opposition facing a political vehicle dilemma but won't say

Sifuna, Orendo and Kalonzo are each building a vehicle for 2027 while calling for one candidate.

GOVERNANCE

Universal Healthcare: SHA's next test is not registration

HAKIKA contracts and SHA-HMIS will decide whether Taifa Care works at the hospital door.

ECONOMY

Kenya's inflation: the 6.8 per cent problem

Core inflation has almost doubled since March. October 7 and October 14 will show if this is a peak or a new cost cycle.

LIFE & CULTURE

Lamu's heritage is only as safe as the livelihoods beneath it

Fishing, land and tourism will decide whether the old town survives the new economy coming courtesy of the refinery.

EXPLAINER

KDC Explainer: What is HMIS?

The digital system for SHA behind the hospital visit, and what it changes for patients as next phase of health reforms.

The Chronicle

WEEKLY



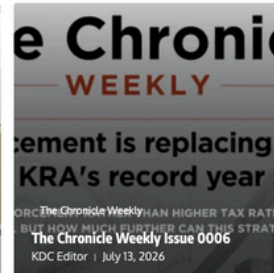
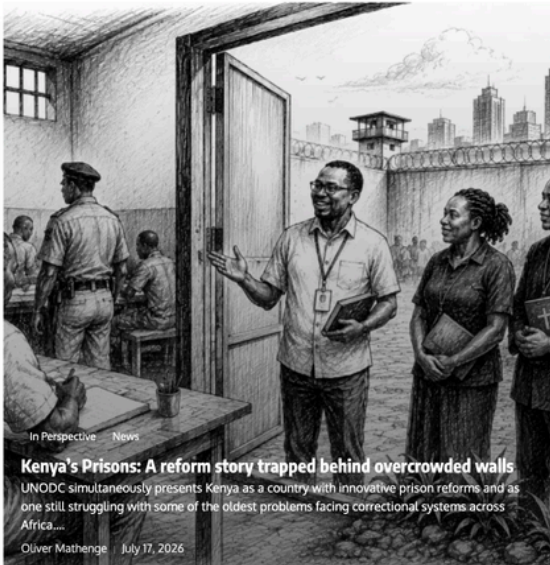
News ▾ In Perspective The Chronicle Weekly Business Lifestyle ▾ Sports Videos



Friday, July 17, 2026



Latest



The Chronicle Weekly is the flagship publication of the Kenya Daily Chronicle, Kenya's trusted digital news platform owned by StrategiCrest Ltd.

While the Kenya Daily Chronicle delivers a mix of breaking news and real-time updates across politics, business, health, sports, and lifestyle, the Weekly is its considered, curated counterpart; a deeper read for audiences who want more than headlines.

Published every Monday, The Chronicle Weekly distils the most important stories of the preceding week into a single, authoritative edition. It brings together the Kenya Daily Chronicle's signature editorial strengths: rigorous political reporting, sharp business analysis, contextual perspectives, and vibrant community coverage, in a format designed to be read, saved, and shared.

The Chronicle Weekly occupies a distinct space in Kenya's media landscape: it is neither a wire-driven news feed nor a long-form magazine, but a weekly newspaper of record; structured, comprehensive, and grounded in the journalistic values that define the Kenya Daily Chronicle. Every edition is built around the belief that informed Kenyans make better decisions, stronger communities, and a more accountable nation.

Disclaimer: Most of the images in this publication are AI-Generated.

Do you have any views? Contact our editorial team through:
editor@thechronicle.co.ke

Want to advertise: Contact our sales team through:
sales@thechronicle.co.ke



Kenya Daily Chronicle
WhatsApp channel



www.thechronicle.co.ke



[@KenyaChronicle](https://twitter.com/KenyaChronicle)



[@KenyaDailyChronicle](https://www.instagram.com/KenyaDailyChronicle)



[@Kenya.Chronicle](https://www.tiktok.com/@Kenya.Chronicle)



[Kenya Daily Chronicle](https://www.facebook.com/KenyaDailyChronicle)

Editorial Note

Every issue has a story that is easy to photograph. This week it was a groundbreaking in Lamu.

On September 30, President Ruto and Aliko Dangote broke ground on a 700,000-barrel-a-day refinery, and the pictures looked like everything a national project should.

This issue is about what the camera does not capture.

Within days, the conversation shifted from the ceremony to the contract beneath it. Our cover asks what Kenya has actually agreed to and what Parliament and citizens are entitled to know.

Our Perspective places the refinery in almost two decades of Vision 2030 promises, where the port is operational but the corridor around it is still under construction.

Our Life & Culture page asks what happens to a fishing town and to families whose land claims are before the court when a second economy arrives.

We support the ambition. Kenya needs investment, industrialisation and jobs. But supporting a project is not the same as trusting its terms, and trust is earned through the delivery record.

The same pattern runs through the rest of the issue. SHA has counted registrations; the harder test now is whether a hospital can file a claim and receive payment.

SACCO balance sheets have surpassed Sh1.21 trillion, yet members are earning less on their money.



Headline inflation hit 6.8 per cent, but core inflation, which has almost doubled since March, will show whether the pressure is easing or persisting.

And an opposition that calls for one candidate is building several political vehicles.

In each case, the visible event or number is only the start. The mechanism underneath, whether disclosure, claims processing, payouts, pricing or party structures, determines what citizens actually experience. That is where we have tried to focus our reporting.

Two dates will soon test these arguments. The Monetary Policy Committee meets on October 7. On October 14, the fuel VAT relief is due to end, and a Lamu court will hear the residents' land petition.

We will be watching both, and we will report what they show, whether it flatters our argument or not.

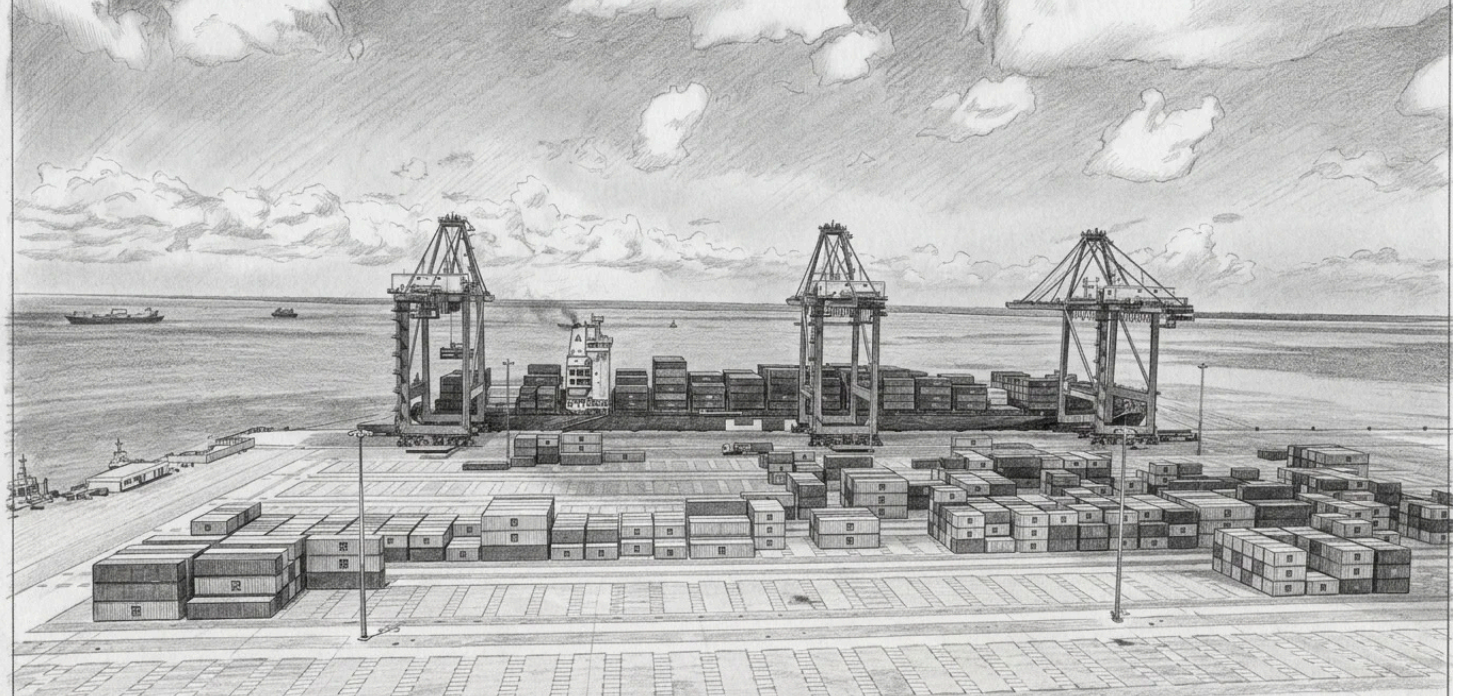
We do not claim to have all the answers, and some of these questions will take longer than a week to resolve.

Tell us where you think we have got it right and where we have missed something.

Write to us at editor@thechronicle.co.ke.

Announcements are easy to photograph. Delivery is easier to forget, so we keep count.

Dangote Refinery: Lamu has always been Vision 2030's hardest test



The September 30 groundbreaking of the Dangote East Africa Refinery in Lamu carries a particular irony. The project is new, yet almost everything around it is familiar.

A deep-water port was meant to transform northern Kenya into a regional trade gateway. A transport corridor is intended to connect Kenya to Ethiopia and South Sudan. Plans include oil pipelines, an industrial zone, an energy system, and a new urban economy.

Environmental and land-use questions remain, and communities have spent years asking what development will mean for them. And the security apparatus has increasingly been tasked not simply with protecting people, but with protecting the infrastructure meant to change economic prospects.

This is what makes Lamu such an important test of Kenya's Vision 2030. The blueprint has long envisioned Lamu as much more than a port.

The official LAPSET plan envisaged a transport corridor linking Lamu with South Sudan and Ethiopia, including roads, rail, crude and refined-product pipelines, an oil refinery, airports, a free port and electricity transmission infrastructure. The original Vision 2030 refinery was planned to have a capacity of 120,000 barrels a day.

The Dangote proposal is on an entirely different scale, with a planned capacity of 700,000 barrels a day.

But its significance is not simply that it is larger. It is that it revives the central proposition on which Lamu was sold almost two decades ago: that infrastructure at the coast could become the foundation for an industrial economy extending deep into the region.

This time, there is at least something tangible to distinguish the promise from the announcements that preceded it.

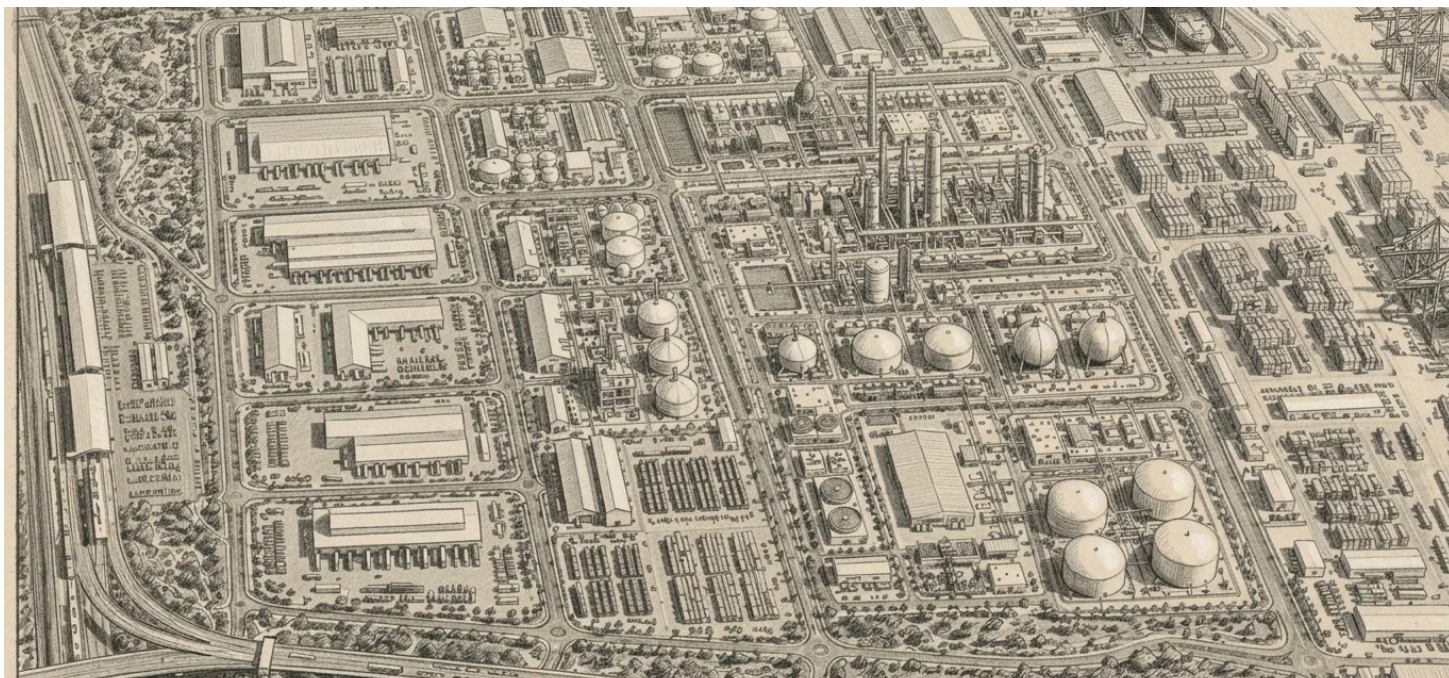
On September 26, the Port of Lamu received 2,930 metric tonnes of heavy construction machinery on board the MV Da Yang.

The builder also has a reference point that earlier Lamu proposals lacked. Dangote's Nigerian refinery has become an operating industrial asset, and the company is seeking to replicate that experience in East Africa.

The Kenyan project is therefore not merely an idea in a government planning document. It is a private investment backed by a business that has already built a refinery of global scale. That changes the question.

For years, the debate over Lamu could reasonably be framed as whether Kenya would build the infrastructure needed to make the corridor viable.

The question now is whether Kenya can build the institutional, commercial and physical ecosystem needed to make a very large private investment viable.



The Unfinished Promise

Lamu Port is the clearest example of how far Vision 2030 has progressed and how much remains unfinished. According to the Vision 2030 progress report, the first three berths were completed in April 2022.

The port was conceived as the anchor of LAPSSET and as a complement to Mombasa, providing an alternative gateway for international trade. But a port is not a corridor.

A port becomes economically transformative when cargo moves through it at scale, when roads and railways connect it to markets, when pipelines carry energy through it, when factories cluster around it, when workers settle nearby, and when businesses emerge to supply the ecosystem.

That was always the broader LAPSSET proposition. The problem is that the pieces have not progressed at the same pace. Some have been redesigned, while others have effectively disappeared from the immediate policy horizon.

The original LAPSSET plan itself shows how ambitious the proposition was: a refinery, crude and refined-product pipelines, road and rail connections, airports, a free port, and a major electricity transmission line were all intended to form part of one economic system.

The Dangote refinery therefore arrives in a landscape where the central infrastructure is partially in place, but the wider ecosystem is still being assembled. That is why the refinery matters beyond the refinery. If it works, it could provide the industrial anchor Lamu has been missing.

If it remains an isolated facility surrounded by incomplete infrastructure, its wider economic impact will be much smaller than the headline investment suggests.

Beyond Paperwork

This is where the coal-fired power project's history becomes important. The proposed Amu Power plant was intended to provide electricity for the LAPSSET development.

Its environmental approval became the subject of prolonged litigation, and the legal history raised fundamental questions about public participation, environmental assessment and the sequencing of government decisions.

In a 2025 judgment on the project, the Environment and Land Court found inadequate public participation and that the project location had effectively been predetermined before the necessary strategic environmental assessment.

For a project of the refinery's scale, environmental and social processes are not administrative hurdles to be cleared as quickly as possible. They are part of the infrastructure, and the same applies to land.

The refinery's groundbreaking is done, but a court has ordered that the status quo over the disputed parcel be maintained until an inter partes hearing on October 14, following a petition by residents over land rights and related concerns.

That does not make the refinery another stalled Lamu project. It does, however, demonstrate why the next phase will require more than political enthusiasm and private capital.



Kenya has learnt this lesson repeatedly: a project can move quickly at the outset and slow down once unresolved questions about land, communities or environmental compliance reach the courts. For Lamu, speed and due process are not competing objectives. The process's credibility is integral to the project's speed.

The Security Question

The Boni Forest and the wider Lamu-Somalia border region have been used by Al-Shabaab networks, making security a permanent consideration in the development equation. Kenya's security agencies have made significant progress. Operation Amani Boni has been deployed to secure the Boni enclave and the LAPSSET corridor.

The Ministry of Defence has said that multi-agency operations have reduced the security challenges that previously disrupted construction and movement along the corridor. But improved security should not be mistaken for the threat's disappearance.

In July 2026, the KDF reported that its troops had discovered and neutralised four concealed IEDs along major supply routes in Lamu County, and that it was conducting ongoing counter-terrorism and route-clearance operations in the area.

That matters because a refinery is not a single site you can protect with a perimeter fence. It requires workers to reach it, machinery to arrive, fuel to be transported, electricity to flow, roads to remain open, and supply chains to operate.

It will depend on the wider LAPSSET corridor and on connections linking Lamu, northern Kenya, and neighbouring markets. Security therefore becomes an economic input.

The state's role is not merely to prevent an attack on a refinery; it is to secure the entire economic corridor well enough that contractors, investors, workers, transporters and communities can regard it as a normal place to do business.

This is a much higher bar, which is why the security gains around Boni Forest matter to Vision 2030 as much as the kilometres of road built or the tonnes of cargo handled at the port.

The Third Attempt

Lamu's history can be understood through three major ambitions. The first was the port and the LAPSSET corridor. The second was to surround that infrastructure with an industrial and energy ecosystem, including projects such as the coal plant and the wider special economic zone.

The refinery now presents a third opportunity to make these pieces work together, but this time the project begins from a different position.

Dangote brings capital, technology, experience and an operating refinery in Nigeria, while Kenya contributes the location, the port, access to regional markets, infrastructure, regulatory authority and the power to determine how quickly the surrounding ecosystem develops.

Neither side can deliver the entire proposition alone: the company cannot build Kenya's roads, resolve its land disputes or guarantee regional crude supplies, while the government cannot finance the refinery or operate it as a commercial enterprise.

The bargain, therefore, must extend beyond the groundbreaking.



Kenya needs to secure maximum value from the investment without allowing the project to become another exercise in political promises.

This means negotiating equity participation, integrating the refinery into the country's energy system, resolving land and environmental issues transparently, and ensuring local communities share meaningfully in the economic benefits.

This also means thinking beyond Kenya. The original LAPSSSET vision was regional by design: Ethiopia and South Sudan were meant to be customers and partners in a corridor linking East Africa's interior to the Indian Ocean, not spectators at a Kenyan port.

A refinery capable of processing hundreds of thousands of barrels of crude a day cannot rely on the Kenyan market alone; its viability depends on regional supply, pipelines, storage, transport infrastructure and long-term fuel demand, as well as what happens within the refinery itself.

Vision 2030's Real Test

The easiest thing to measure on September 30 was the ceremony. The harder work will begin afterwards, as Kenya seeks to complete environmental and land processes without compromising speed or legitimacy, secure financing and crude supplies for the refinery, and provide the infrastructure needed to make the wider industrial zone viable.

It must also keep Lamu secure as economic activity increases, ensure local communities can participate in the economy these projects create, and prepare the port for the traffic the refinery and wider corridor are expected to generate.

Ultimately, Kenya must determine whether the promised jobs and investment actually materialise.

These questions cannot wait until 2030; some should be answered within the next 12 months. That is the real significance of Dangote's arrival in Lamu.

Vision 2030 was never simply a collection of projects but an argument that infrastructure could reshape Kenya's economic geography, with Lamu intended as proof. Nearly two decades later, the port is operational, the corridor remains under construction, security operations are still necessary, and the industrial dream is unfinished.

The refinery gives Kenya another opportunity to connect these pieces and removes one excuse. A private investor now has a project, machinery is arriving through the port envisioned by the plan, and a regional market needs energy.

The question is no longer whether Lamu can be imagined as an industrial gateway, but whether Kenya can make the system around it work. Vision 2030's hardest test was never the promise; it was what came after. Lamu will reveal whether Kenya has learned that lesson.

STRATEGICREST

+254(0)705970967

info@strategicrest.co.ke

<https://www.strategicrest.co.ke/>

OCTOBER

LIMITED
OFFER

FREE

SOCIAL MEDIA AUDIT

Let's look at your pages and find opportunities to grow your business.

The Dangote deal has become a test of political transparency



The political argument around Kenya's planned refinery in Lamu was supposed to be about development. Instead, almost immediately after the groundbreaking, it became an argument about disclosure.

The project is enormous: a planned 700,000-barrel-per-day refinery backed by Nigerian billionaire Aliko Dangote, with an estimated investment of \$16 billion (Sh2.07 trillion). Kenya sees it as a cornerstone of industrialisation, energy security and transformation of Lamu into a regional economic hub.

But the scale of the investment raises a simple question the government now has to answer clearly: what exactly has Kenya agreed to?

That question moved into the political arena after Nairobi Senator Edwin Sifuna said Parliament had not seen the agreement between the government and Dangote and questioned the commitments Kenya had made to facilitate the project.

President William Ruto responded that Parliament has procedures for lawmakers to request government agreements. Sifuna then invoked Article 35 of the Constitution, which gives citizens a right of access to information held by the State and requires the State to publish and publicise important information affecting the nation.

The disagreement is political, but the underlying question is institutional, and vital to building trust in Kenya's governance.

Kenya has spent years learning that the most consequential part of a mega-project is often not the ribbon-cutting. It is the contract underneath it.

Investment Large Enough to Require Questions

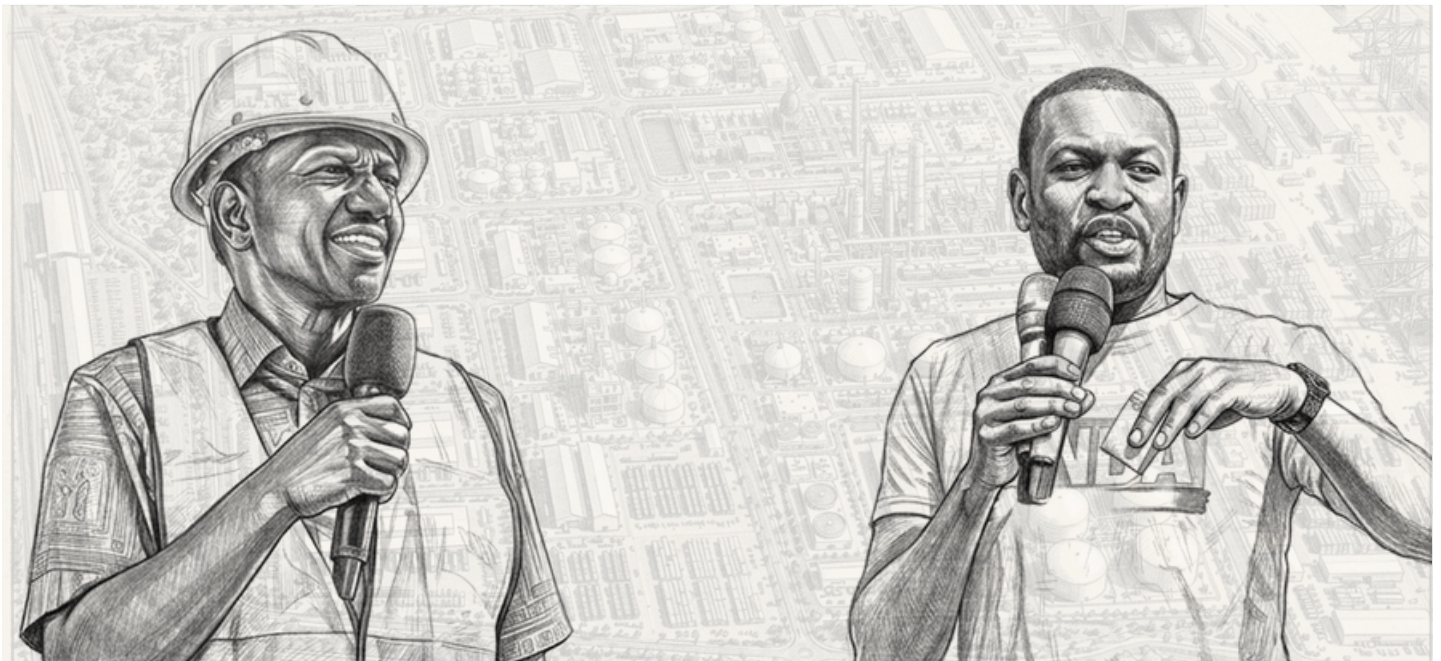
Nothing unusual about a government seeking private capital for infrastructure and industrial development. Indeed, Kenya needs private investment to expand its industrial base without placing the entire cost on the public balance sheet.

The issue is what happens when the public interest becomes intertwined with private investment. In the Lamu case, the state is not merely providing a regulatory environment for a factory.

The project requires land. It is connected to port infrastructure. It has implications for roads, energy and pipelines. The government has discussed a crude pipeline linking Turkana to Lamu. At the same time, Ruto has said the refinery will also rely on crude from other countries because Kenya's current production would represent only a fraction of planned capacity.

That makes the agreement more consequential than a conventional commercial contract. It could touch public land, public infrastructure, taxation, energy policy, environmental regulation, crude supply, investment obligations, and the wider industrial strategy for the Coast.

Those are precisely the areas in which transparency matters most.



The question is not whether every commercial detail must be published. Governments routinely have legitimate reasons for protecting commercially sensitive information.

The question is whether they understand the fundamental bargain: empowering citizens with knowledge.

What exactly is Dangote committing to, and what are Kenya's specific obligations in this agreement? What is Kenya committing? What infrastructure will the government build or finance?

What land is being provided for the project, and what infrastructure will the government build or finance to support it? What incentives have been offered?

Will Kenya have an ownership stake? If so, how will it finance that stake? Who will own the refinery and associated infrastructure? What happens if construction is delayed?

What happens if the investment does not reach its promised scale? And what obligations survive a change of government?

These are not hostile questions. They are the basic questions that accompany an investment being presented as one of the most consequential industrial projects in Kenya's history.

Parliament Is Part of the Bargain

The dispute between Ruto and Sifuna is partly about procedure. Ruto's position, as reported this week, is that lawmakers who want the agreement should follow Parliament's established process for requesting government documents.

Sifuna argues that the public interest in the project warrants disclosure and that constitutional access to information should not depend simply on executive discretion.

Parliamentary oversight does not necessarily mean every commercial document becomes public in its entirety. But commercial sensitivity does not mean a major agreement involving the state becomes immune from scrutiny.

Kenya's constitutional architecture does not treat Parliament as a spectator in executive decision-making. When the state makes commitments with long-term consequences, lawmakers have a role in understanding them, particularly where public resources, land or infrastructure are involved.

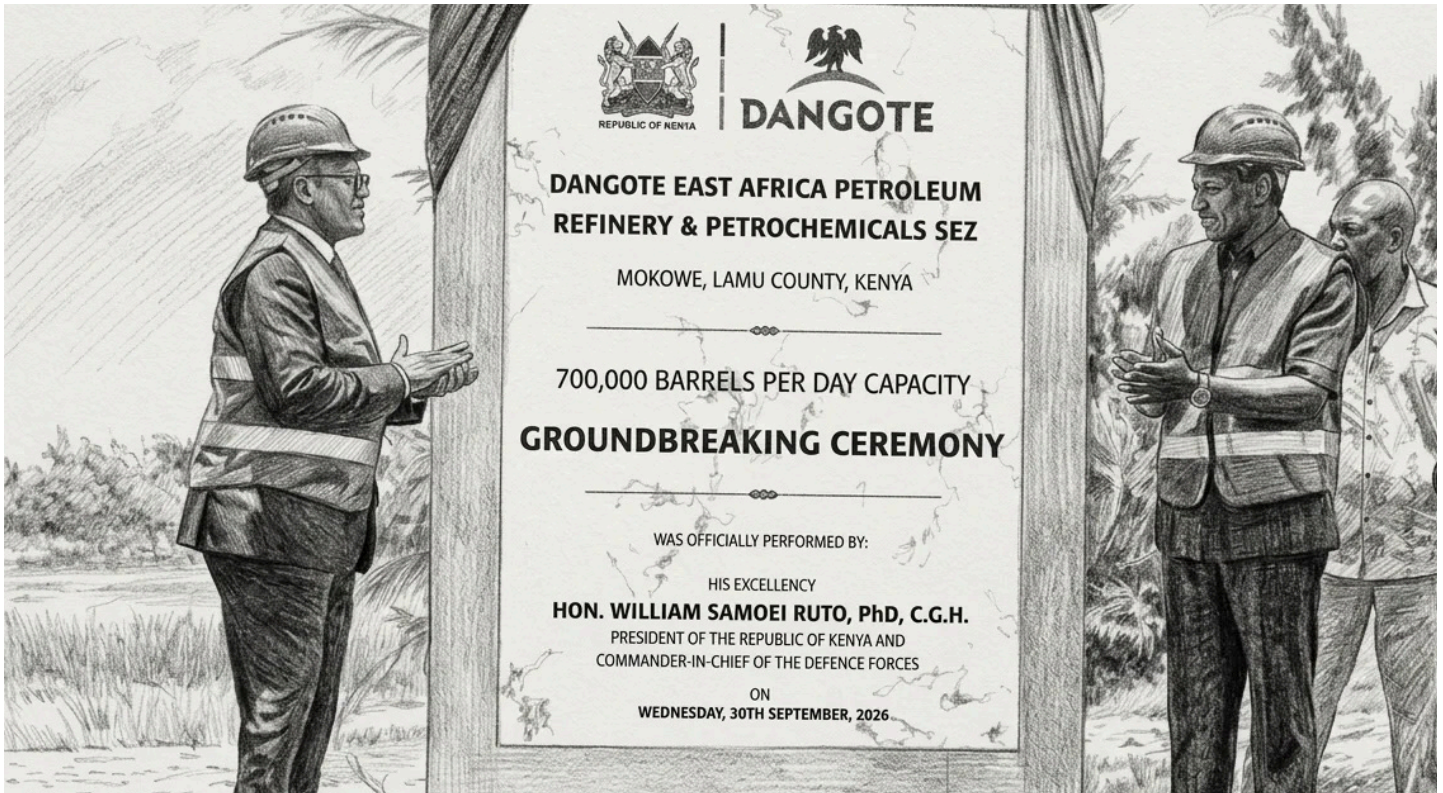
The refinery therefore presents an opportunity to establish a transparent model for future large investments. The government could disclose the material public obligations while protecting genuinely confidential commercial information.

Parliament could scrutinise the agreement without turning the process into a political theatre. The investor could explain the commercial logic without disclosing information that would compromise its competitive position.

That would shift the debate from whether the government is hiding something to the more useful question of what information citizens actually need to know.

Land Dispute Makes Transparency Important

The timing of the transparency argument matters because the refinery is already facing a separate legal dispute over land.



The land dispute raises concerns about fairness and the need for transparent resolution for affected communities.

The project therefore raises two distinct accountability questions at the same time. One concerns the agreement between the state and the investor.

The other concerns the agreement between the state and the citizens whose land is affected. They should not be confused, but they are connected by one principle: development works better when the people expected to live with its consequences understand the terms.

That is particularly important in Lamu because the refinery is being presented as part of a much larger industrial transformation.

If the project is eventually accompanied by a crude pipeline, petrochemical industries, power generation, logistics facilities and new manufacturing activity, its consequences will extend well beyond the refinery boundary. So will its benefits.

The government has already described the project in terms of regional industrialisation and energy security. Ruto has said the refinery could serve both Kenya and wider East African markets, while the government is positioning Lamu as a broader industrial and logistics hub.

The bigger the promise, the more useful it becomes to establish a public record against which that promise can eventually be measured.

Kenya Needs a Scorecard, Not Just a Ceremony

The easiest way to make the Dangote agreement politically useful is to turn it into a measurable public compact.

If the project is expected to be completed by 2030, Kenyans should know which milestones to reach along the way.

If the refinery is expected to process 700,000 barrels per day, there should eventually be a clear distinction between planned capacity, installed capacity and actual utilisation.

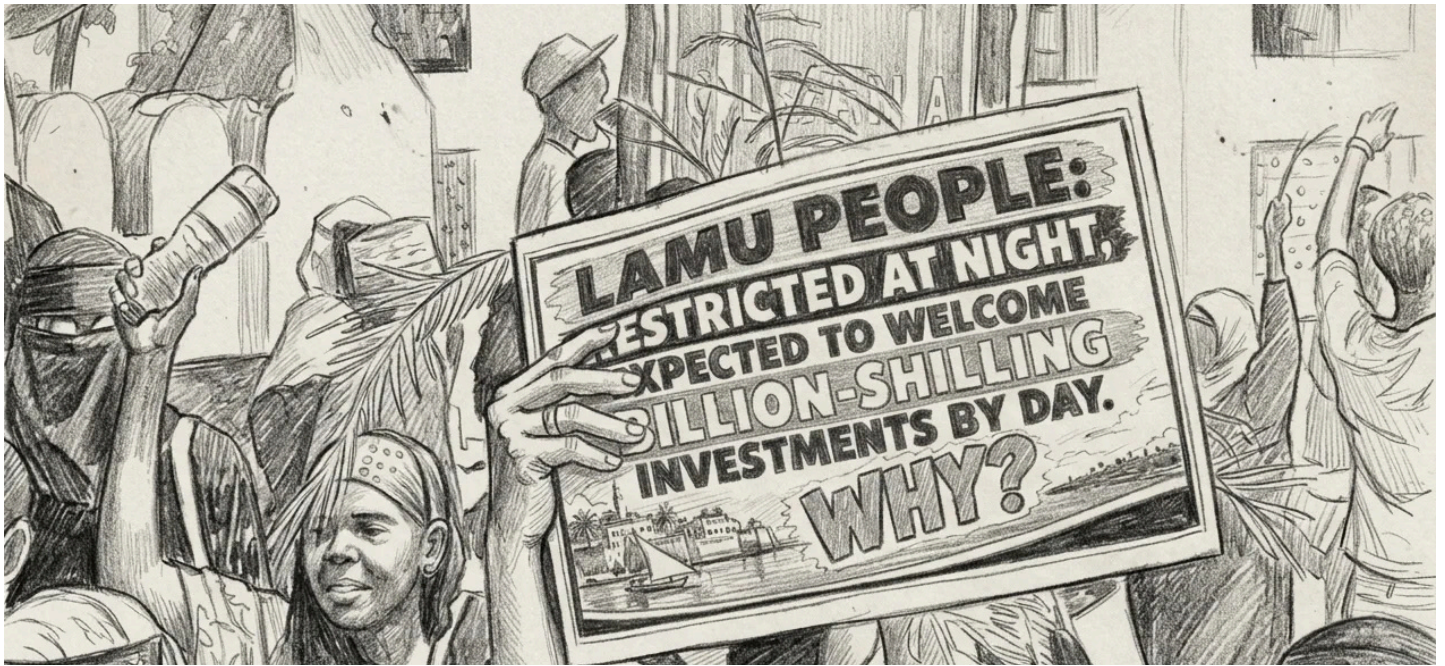
If thousands of jobs are promised, the country should be able to distinguish between temporary construction employment and permanent skilled employment.

If local content is part of the project, the value of contracts going to Kenyan companies should be measurable.

If Lamu is to become an industrial hub, the supporting infrastructure should be tracked alongside the refinery.

If Kenya is expected to provide roads, pipelines, land or other infrastructure, those commitments should be visible in public budgets and implementation reports.

And if the government offers incentives to attract investment, the public should eventually be able to assess what it received in return.



This is where transparency stops being a political slogan and becomes a management tool. The government itself benefits from a clear record because all future administrations will inherit the project.

Parliament will continue to change. The investor will remain a private company. Officials will come and go.

A properly documented agreement allows the country to distinguish between what was promised, what was delivered and what changed along the way.

That is especially important because Kenya's history of mega-projects contains enough examples of ambitious announcements whose costs, timelines and benefits became difficult to reconstruct after the political moment had passed.

The Question Is Bigger Than Sifuna and Ruto

The current dispute has inevitably been personalised. Ruto has criticised Sifuna's demand for the agreement, while Sifuna has framed disclosure as a constitutional obligation.

Other political figures, including Ndindi Nyoro, have also called for greater disclosure around the refinery's ownership structure and the government's commitments.

But the issue should survive both politicians.

The refinery will almost certainly outlast the current political argument. So will the public obligations created around it. That is why the useful question is not whether Sifuna has won an argument with Ruto, or whether the government has successfully defended its position.

It is whether Kenya can establish a credible standard for transparency around investments of national significance.

The country needs investment. It needs industrialisation. It needs infrastructure and jobs. None of those objectives is served by turning every investment agreement into a political battlefield.

But neither are they served by asking citizens to trust that the terms are in their interest without giving them enough information to understand the bargain.

The Dangote refinery is therefore already testing something beyond Kenya's ability to attract capital. It is testing whether the country can pursue large-scale development while maintaining the constitutional principle that public power and public commitments ultimately belong to the public.

The groundbreaking marked the beginning of the refinery. The disclosure debate may determine what kind of precedent it sets.

STRATEGICREST

📞 +254(0)705970967

✉️ info@strategiccrest.co.ke

🌐 <https://www.strategiccrest.co.ke/>

OCTOBER
LIMITED
OFFER

FREE

SOCIAL MEDIA AUDIT

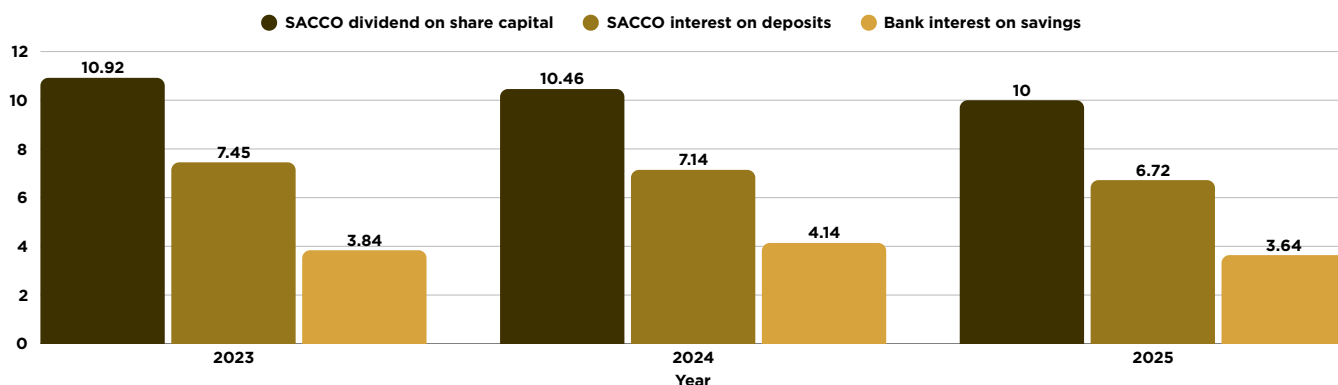
Let's look at your pages and find opportunities to grow your business.

BIGGER BALANCE SHEETS

SMALLER PAYOUTS

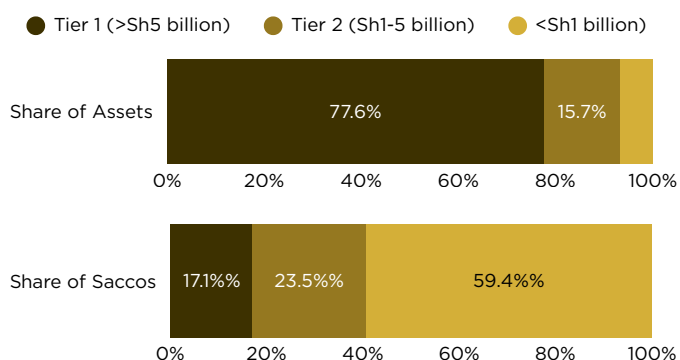
Kenya's regulated SACCOs crossed Sh1.21 trillion in 2025 and lifted profit by a quarter, yet dividends and deposit interest slipped for the second straight year. Meanwhile, county governments account for nearly half of the Sh3.92bn that employers deducted but never remitted.

WHAT A SACCO MEMBER EARNS VS WHAT A BANK PAYS

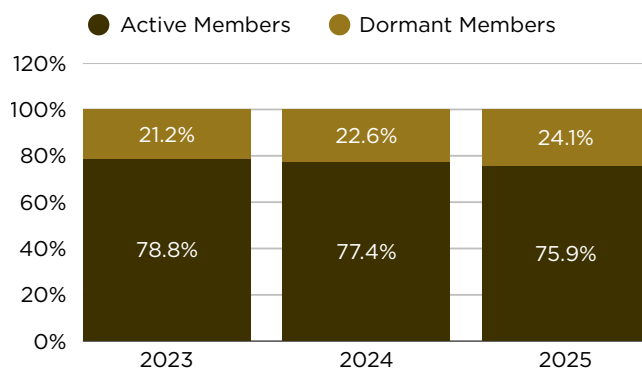


Deposits at SACCOs paid 6.72% against 3.64% at banks, yet both SACCO payouts fell in 2025: dividends 10.46% to 10.00%, deposit interest 7.14% to 6.72%. SASRA curbed dividend and interest payouts at DT-SACCOs to build capital.

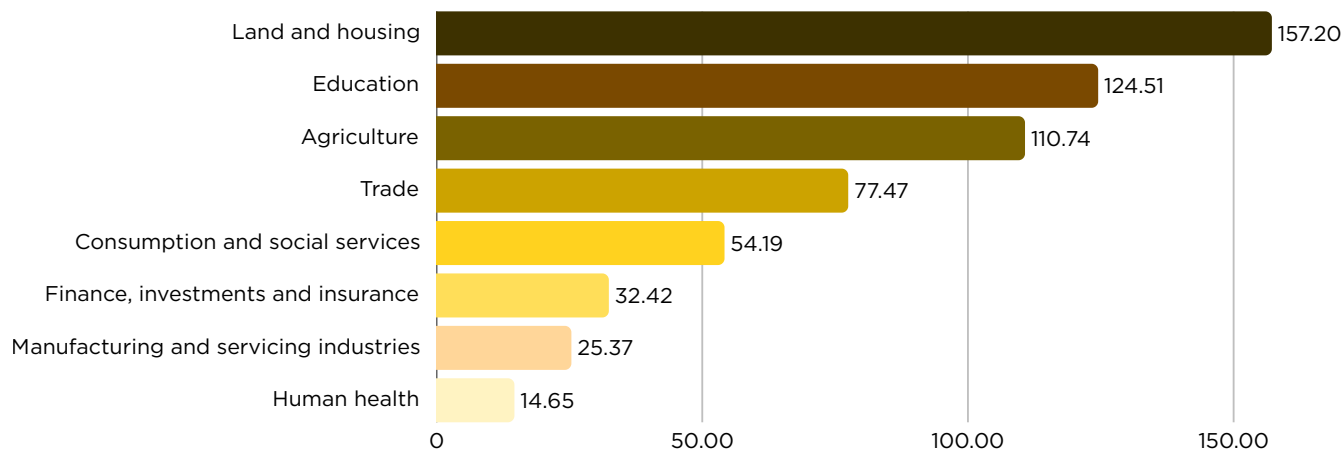
61 SACCOS HOLD 77.62% OF ASSETS



DORMANT MEMBERS GREW 3X FASTER

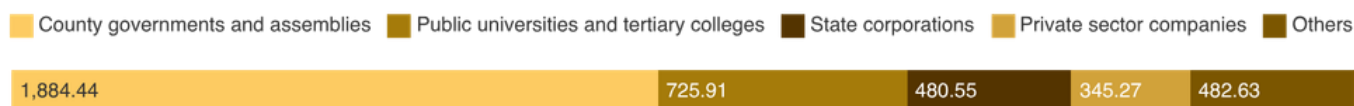


WHERE THE SH596.54 BILLION LOANS WENT



THE LEAK: DEDUCTED FROM PAY, NEVER REMITTED

Non-remitted member deductions owed to regulated SACCOs, share of 2025 total (million Sh) by employer category



An opposition facing a political vehicle dilemma but won't say



The opposition's challenge extends beyond selecting a candidate; it involves understanding how multiple ambitions, like those of Sifuna, Orengo, and Kalonzo, impact coalition stability and the 2027 electoral landscape, which should concern all engaged citizens.

This week, however, it has become increasingly clear that the opposition's challenge is institutional as well as mathematical. Multiple political vehicles are being assembled around different leaders and formations, even as those same leaders continue to call for a single opposition candidate.

Edwin Sifuna's Linda Mwananchi movement has formally selected him as its presidential candidate. The Political Parties Disputes Tribunal has cleared the movement to seek reservation of its name, and the Registrar has since approved the reservation for 90 days.

James Orengo is preparing to unveil a political vehicle of his own, with the Liberal Democratic Party reportedly acquired for his presidential ambitions. He has also reaffirmed his commitment to opposition unity and selecting a single candidate.

Kalonzo Musyoka is building the Ukombozi Alliance around the reorganisation of the former Azimio structure, while Rigathi Gachagua's Democratic Congress Party has kept its distance from the formation. The result is a political landscape in which leaders advocate unity while building the institutions they will use to negotiate it.

That is not necessarily contradictory, because in coalition politics a party is more than an electoral machine: it is also a source of bargaining power.

The Vehicle Comes Before the Ticket

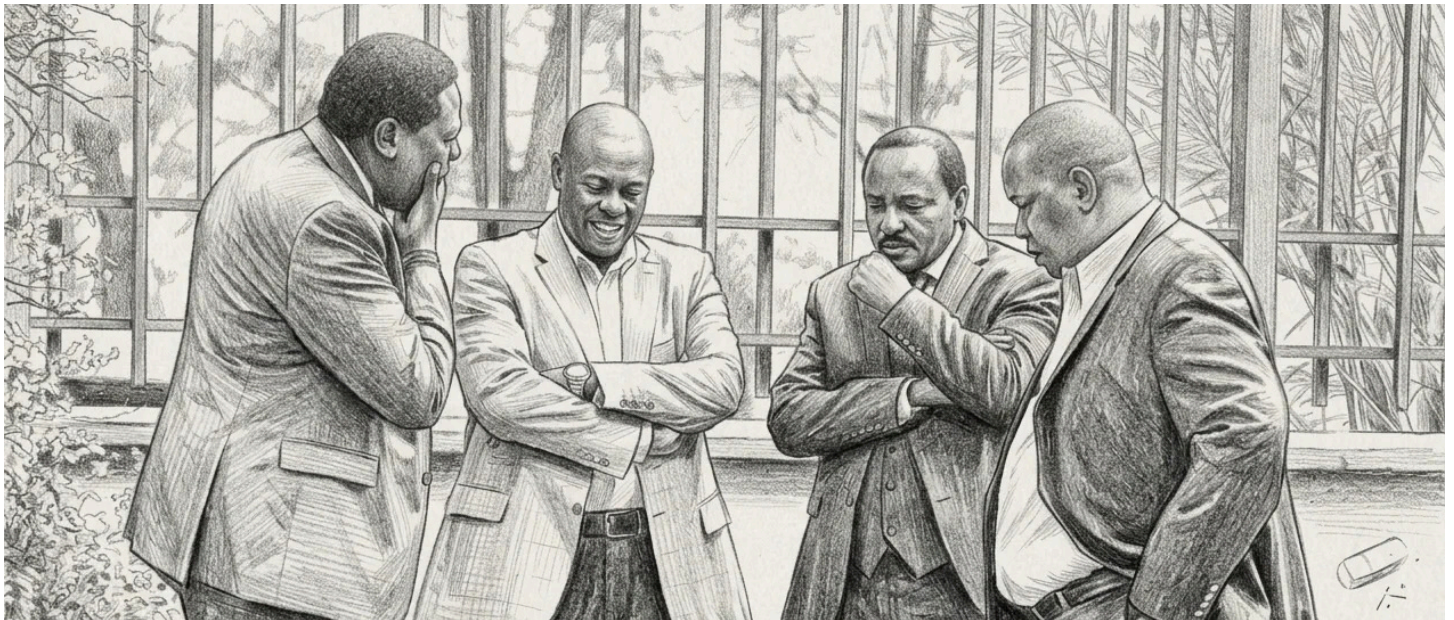
Kenyan presidential politics has always placed unusual importance on the party vehicle. Control over these processes gives leaders tangible influence in coalition talks, making readers feel the power of party control in shaping the future.

Linda Mwananchi's path illustrates the issue. After the Political Parties Disputes Tribunal overturned the Registrar's earlier refusal to reserve the name, the movement secured the reservation. It can now proceed with the formal steps required to establish a party.

The case also shows how control over party names and registration, including the 90-day reservation, can affect the opposition's ability to present a united front and negotiate effectively for 2027.

The reason is straightforward: whoever controls a political vehicle enters coalition negotiations with something tangible. Sifuna now leads a movement that has endorsed him as its presidential candidate; Orengo is preparing his own vehicle; Kalonzo has a coalition structure around Ukombozi; and Gachagua has the DCP.

Other opposition politicians are maintaining their parties or exploring alternative vehicles.



Each structure gives its leader a place at the negotiating table.

As Sifuna, Orendo and Kalonzo develop separate vehicles-Linda Mwananchi, the Liberal Democratic Party and Ukombozi-the focus on control of these structures can be seen as an opportunity for the opposition to strengthen its bargaining position and work towards unity.

One Coalition, Several Centres of Power

The Ukombozi Alliance illustrates the challenge. Kalonzo has presented the rebranded alliance as a broader opposition platform, but several political actors have rejected it or questioned aspects of its reorganisation.

The DCP has said it will not join Ukombozi in its current form, while the National Liberal Party has sought clarity about the legal and organisational basis for the rebranding. Martha Karua has previously rejected the proposed reorganisation and has not joined the new structure.

Meanwhile, Linda Mwananchi has been building its own structure and has endorsed Sifuna as its presidential candidate. Orendo is also preparing an independent political vehicle.

His significance lies not only in his status as another presidential aspirant, but also in his senior role within the broader opposition and his public insistence that the opposition must ultimately agree on one candidate. His decision adds another centre of power to a coalition supposedly moving toward consolidation.

The contradiction is only apparent: leaders may agree on the destination while disagreeing over who should control the route.

The opposition's current negotiations do not necessarily signal disunity; they may reflect a strategy of building structures to strengthen bargaining positions before pursuing formal unity.

This phase of opposition politics differs from the simplistic view of coalition-building. Leaders may be establishing separate parties not because they have abandoned unity, but because unity has yet to produce a mechanism for deciding how power and resources will be shared.

A party gives a leader organisational infrastructure, candidates for parliamentary and county seats, a membership base and a stronger position when coalition agreements are drafted. Most importantly, it gives a presidential aspirant something tangible to bring to the table.

That may explain why the opposition is discussing a single candidate while developing several political vehicles. The underlying calculation is that unity is best negotiated from strength, not political dependence. The danger is that each vehicle may eventually develop its own interests.

A party develops its own parliamentary candidates. Local leaders develop their own ambitions. Financiers develop relationships with particular politicians. Regional interests become attached to particular organisations. Party officials acquire institutional stakes in the survival of their vehicle.

The Sifuna Question Changes the Arithmetic

Linda Mwananchi has formally endorsed Nairobi Senator Edwin Sifuna as its presidential candidate, meaning the movement is no longer merely a platform through which he might negotiate with other opposition leaders. It now has its own explicit presidential proposition.



Recent surveys have placed Sifuna and Kalonzo Musyoka neck and neck ahead of Fred Matiang'i and Rigathi Gachagua. Those figures measure preferences in that particular survey and period; they do not establish an electoral outcome or demonstrate how a coalition would perform.

Politically, however, the number matters for another reason: a candidate who enters coalition negotiations with an established support base has a stronger bargaining position than one who arrives merely as a senior party official. This is why the opposition's internal arithmetic is becoming more complicated.

Kalonzo can point to his established party and long presidential history; Gachagua to the political significance of his Mt Kenya base; Orengo to his long political career and position in Nyanza; and Sifuna to a newly mobilised movement and a growing national profile. Matiang'i remains another potential presidential vehicle.

None of these claims automatically determines who should lead the coalition, but they help explain why choosing a leader will be difficult.

What Happens After the Candidate Is Chosen

The opposition has focused heavily on the presidential ticket because it is the most visible part. Yet a presidential coalition is only as durable as the political architecture beneath it.

Decisions about parliamentary candidates, gubernatorial races, constituency allocations, coalition resources, campaign machinery, the manifesto and running mate will all shape its strength. So too will its handling of parties that do not receive the positions they expect, and the coalition's future after the election.

Kenya has repeatedly produced broad electoral alliances that functioned better as campaign arrangements than as governing structures.

The opposition therefore faces two organisational tasks: selecting a single presidential candidate who can unite several political constituencies, and building a coalition that gives parties and politicians who miss out on the top prize a reason to remain in the arrangement.

Opposition's Biggest Asset May Be Its Complication

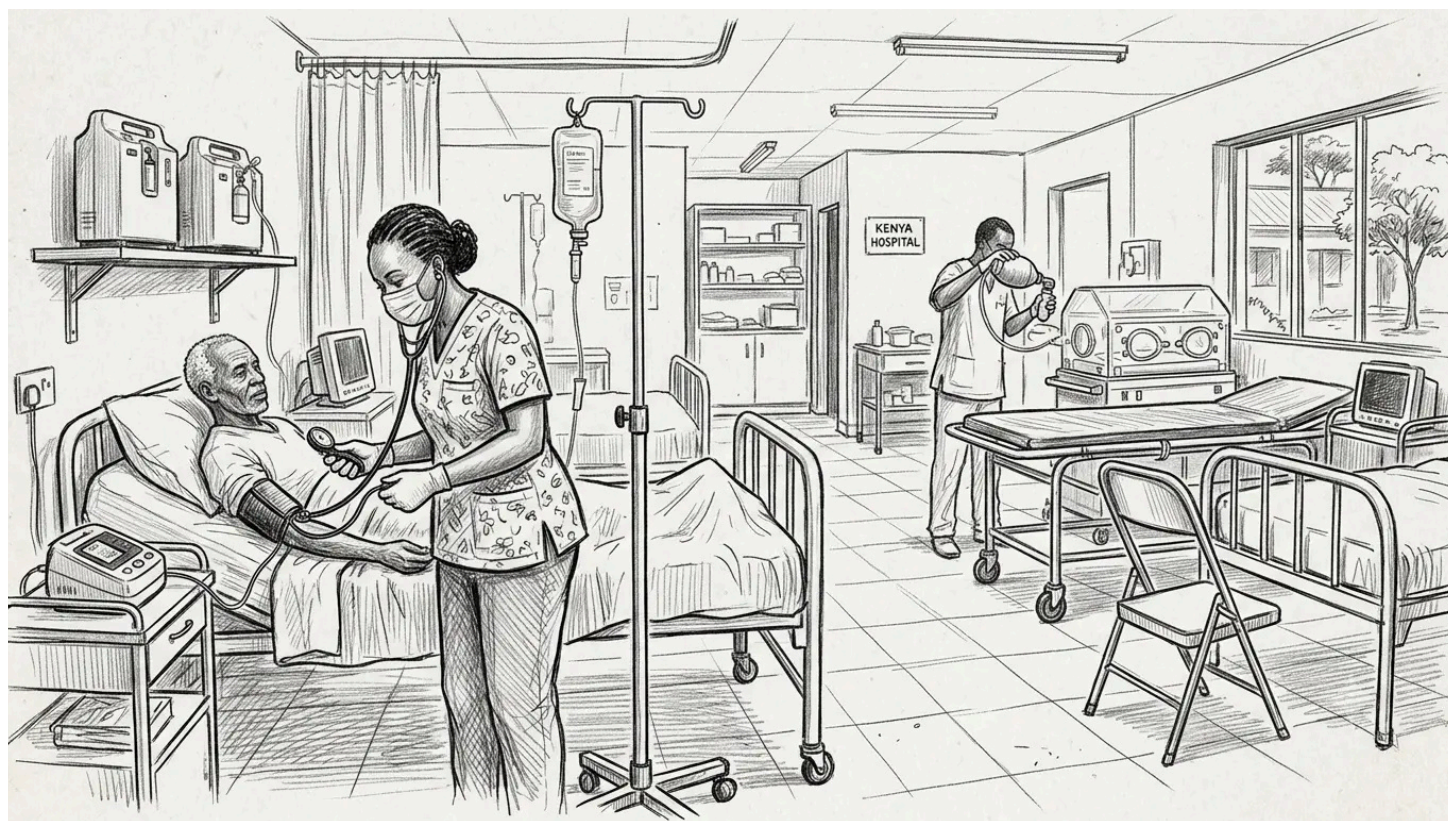
The growing number of opposition formations may look like evidence of disunity, but a more useful interpretation is that the opposition is still negotiating its institutional form. Competing centres of power are emerging because its leaders have yet to agree on the rules for sharing power.

Sifuna's party gives him leverage, as do Orengo's vehicle, Kalonzo's Ukombozi structure and Gachagua's DCP. Smaller parties may also hold the parliamentary and county candidates needed to make a national coalition work.

The coming months will be less about persuading every opposition leader to abandon ambition than about creating a mechanism to organise it. If such a mechanism emerges, the proliferation of parties may prove temporary. If it does not, the opposition could enter 2027 with an impressive collection of alliances, parties and presidential ambitions, but no common political machine.

The important development this week is therefore not simply that another opposition party may be launched. Kenya's opposition is increasingly building the structures through which it will negotiate its eventual unity. Before it can become one coalition, it is becoming a party system of its own.

Universal Healthcare: SHA's next test is not registration



For most of its first two years, the Social Health Authority has been judged on its most visible numbers: how many Kenyans registered, how many facilities were accredited, how many people contributed. Those figures still matter, but they say less and less about whether the reform works. The harder test is now inside the health facility.

Can a hospital verify a patient's eligibility on arrival, and can a doctor get authorisation without sending the patient through another administrative loop? Can the facility file a clean claim electronically, can SHA process it properly and, above all, can the provider be paid within a predictable period?

The government is building that machinery through two linked reforms: the 2026–2029 provider contracting cycle, known as HAKIKA, and the migration from the SHA Provider Portal to the SHA Health Management Information System (SHA-HMIS).

The Ministry of Health says the new framework is meant to answer complaints about tariffs, claims processing, payment delays, pre-authorisation, system reliability and empanelment.

The Hospital Is Where SHA Becomes Real

From Nairobi, reform can look impressive because so much of it is administrative: a law is passed, a platform launched, contribution figures published.

A patient never meets an organisational chart. They meet the reception desk, the pharmacy, the laboratory and, finally, the bill.

The Ministry says that by June, SHA had accredited more than 11,000 facilities, of which 5,078 used SHA-HMIS and 2,978 submitted claims electronically.

It also reported that 6,228 public facilities, or 93 per cent, had been digitally transformed. Fewer than half of accredited facilities are on the new platform, and only about a quarter file claims electronically.

A national system must work across facilities with very different levels of staffing, connectivity and management capacity.

A sophisticated claims platform does nothing for a rural health centre with poor connectivity, or where the person running it has not been trained.

What counts is not how many systems are switched on, but whether they work when someone is ill.

Money Has To Follow The Patient.

The contract between SHA and care providers is crucial because it sets clear expectations on payments, quality, and standards, ensuring providers can plan and deliver services confidently within the reform framework.



This matters because providers need to know what they will be paid before they agree to deliver a service.

No hospital can sustain its role in a national insurance system if tariffs are unclear, claims are rejected without explanation, or payments arrive unpredictably, and smaller facilities, with less financial cushion, feel those delays first.

The contract must therefore create a measurable link between the service delivered and the money received. SHA should be judged on indicators that patients and providers can understand.

Average claims processing time, the share of clean claims paid within the contractual period, the number of rejections and their reasons, outstanding liabilities, and payment performance across public, private and faith-based facilities. Without those figures, no claim of improvement can be tested.

Digital System Is Now Part Of Healthcare

The move to SHA-HMIS may be the most important part of the reform because it ties financing to actual care.

The Ministry says the system will offer real-time patient verification, electronic claims management, digital provider authentication and secure data exchange with compliant hospital systems, and it expects better reimbursement, less fraud and greater accountability.

The logic is sound: in a fragmented system, duplication, error and fraud thrive, while in a connected one it is easier to establish who received which service, where, and at what cost.

But the same system creates a new risk, because it can become a barrier to care. If connectivity drops or a hospital's software cannot talk to SHA's platform, the problem stops being technical and becomes clinical.

That is why the promised phased transition, with onboarding support, training and safeguards for historical claims and beneficiary data, matters as much as the platform.

The design assumption should be that things will sometimes go wrong, and the question is whether a working fallback exists when they do.

Fraud, And The Inheritance Of NHIF

Health insurance is vulnerable to fraud because the money is tied to services that are hard to verify afterwards.

In April, the Ministry said its digital efforts had led to the closure of more than 1,200 facilities and the sanctioning of 22 doctors and 40 clinicians, and it put the SHA claims settlement rate at 74 per cent under a 90-day payment timeline. These are government-reported figures and should be read as such, but they show the scale of the accountability problem.



SHA will not become sustainable simply by covering more people; it must know what it is paying for, which means accurate patient identification and documentation, reliable tariffs, and claims systems that flag unusual patterns without leaving legitimate patients waiting.

The reform must also carry the old system's legacy. The Ministry said it had set aside KSh4 billion to begin settling verified claims under the defunct NHIF. Building the new system while managing the old system's inheritance will determine whether it wins or loses credibility.

The Next Scorecard

In SHA's first phase, the main question was how many people had registered. The next phase needs a scorecard that asks how long a patient waits for authorisation, how many claims are rejected and why, how long a clean claim takes to settle, and how much SHA owes providers at any given time.

It should also track how often digital systems fail, how many facilities can file claims without manual intervention, how much suspected fraud is detected and recovered, and whether patients denied a service have a clear route to appeal.

These numbers are less politically convenient than registration figures because they expose the reform's machinery, but they are much closer to what patients experience.

HAKIKA and the move to SHA-HMIS mark a real shift.

The government is no longer just setting up a new health insurer; it is trying to run a new health-financing system at national scale, balancing providers, technology, money and patients at once.

The registration fight was loud because it touched almost everyone, while the next stage will be more technical and potentially more consequential.

If SHA can make money, information and medical services move together, Taifa Care begins to look like a working system rather than an institutional replacement.

If it cannot, Kenya will have built another layer of administration around a problem patients still meet at the hospital door.

SHA's next test, then, is not whether Kenya is registered. It is whether Kenya can get sick and still find the system works.

STRATEGICREST

📞 +254(0)705970967

✉ info@strategicrest.co.ke

🌐 <https://www.strategicrest.co.ke/>

OCTOBER
LIMITED
OFFER

FREE SOCIAL MEDIA AUDIT

Let's look at your pages and find opportunities to grow your business.

In Numbers

Sh100,000**LICENSING**

The amount that non-deposit-taking credit providers will not pay to the Central Bank of Kenya when applying for a license.

Sh30.51 bn**DEBT**

The amount by which public health agencies reduced their pending bills in the year to June 2026.

3,000**HOUSING**

The number of affordable housing units to be built in Lamu in readiness for the Dangote East Africa Refinery.

17**DEATHS**

The number of Catholic pilgrims who killed in a road accident in Salama on their way to the National Shrine in Subukia.

Quote of the Week



I warned you in 2022 that the path you wanted to take was rooted in self-deception. You thought you knew better. Making a mistake is not the mistake; repeating it is.

- **Former President Uhuru Kenyatta**

KDC Explainer: What Is HMIS?

The digital system behind the hospital visit HMIS stands for Health Management Information System. In simple terms, it is the digital infrastructure used to collect, manage and share information about patients, healthcare services and providers.

For SHA, the new SHA Health Management Information System (SHA-HMIS) is intended to connect healthcare delivery with health financing.

The Ministry of Health says it will support real-time patient verification, electronic claims management, digital authentication of healthcare providers and secure exchange of health information with compliant hospital systems.

What changes for a patient?

Instead of healthcare information and insurance claims moving through separate or largely manual processes, SHA wants the systems to communicate with each other.

A patient's eligibility can be verified digitally; the healthcare service can be recorded electronically; and the provider can submit a claim through the system. In principle, this should make it easier to track who received what care, where they received it and what SHA is expected to pay.

Why is SHA changing systems?

The government is moving providers from the existing SHA Provider Portal to SHA-HMIS as part of a wider effort to create an integrated digital health system. The Ministry says the transition should improve claims reimbursement, reduce fraud and strengthen accountability.

It also says the migration will be phased, with provider onboarding, training and technical support. The Ministry reported in June that 5,078 facilities were operating on SHA-HMIS and 2,978 were actively submitting claims electronically, out of 11,034 SHA-accredited facilities.

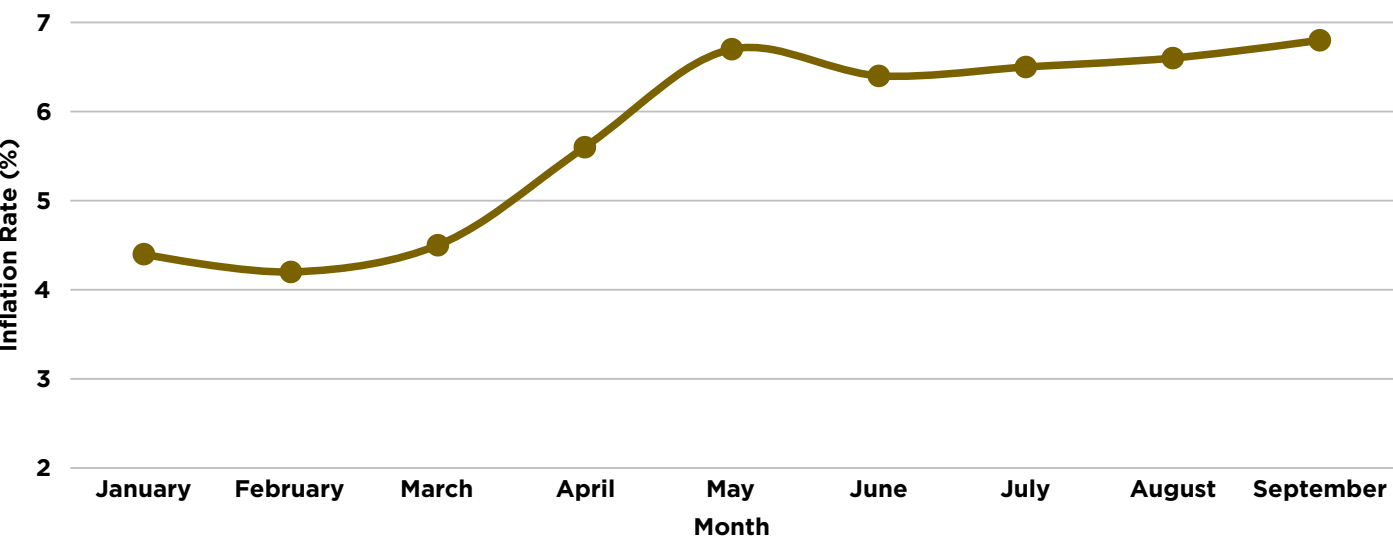
The catch

A digital system does not automatically create better healthcare. If the platform is unavailable, a facility is not properly integrated, staff are not trained, or patient information cannot be verified, a technology problem can quickly become a healthcare problem.

That is why SHA-HMIS should ultimately be judged not by how many facilities are connected, but by whether the system makes care easier to access, claims easier to process, and providers easier to pay.

Kenya's Inflation: The 6.8 per cent problem

Annual Inflation Rate (2026)



Kenya's inflation reaching 6.8 per cent in September underscores the urgency for policymakers and analysts to monitor economic stability closely, as it marks a critical point since January 2024.

The number matters not simply because 6.8 is higher than 6.6, but because it reflects the inflation shock that began with the surge in energy and transport costs earlier in the year, highlighting underlying economic pressures.

In August, the Central Bank of Kenya projected that inflation would peak at 6.8 per cent in January 2027, before easing, under a baseline scenario that assumed crude oil at about \$90 a barrel and a de-escalation of the Middle East conflict. Instead, Kenya reached that level in September, four months earlier than the central bank's forecast.

Brent crude moved above \$100 a barrel in September, reaching \$101.21 on September 9, as the conflict disrupted expectations around Middle East energy supplies.

The more important question now is whether the shock remains temporary, or whether part of it has already worked its way into prices that are less directly connected to the fuel pump.

Where The 6.8 Comes From

The September inflation number was still heavily influenced by food and transport. Food and non-alcoholic beverages contributed 2.8 percentage points to the overall rate, while transport contributed 1.6 points.

Annual food inflation reached 9.5 per cent and transport inflation 15.6 per cent. But the more revealing number is core inflation.

With core inflation rising from 2.1 per cent in March to 4.0 per cent in September, this trend should alert policymakers and analysts to persistent underlying economic pressures. That is almost a doubling in six months.

Non-core inflation, meanwhile, was 14.0 per cent in September, down from 16.0 per cent in May. KNBS calculates that core inflation contributed 4.2 percentage points to September's headline inflation, compared with 2.6 points from non-core inflation.

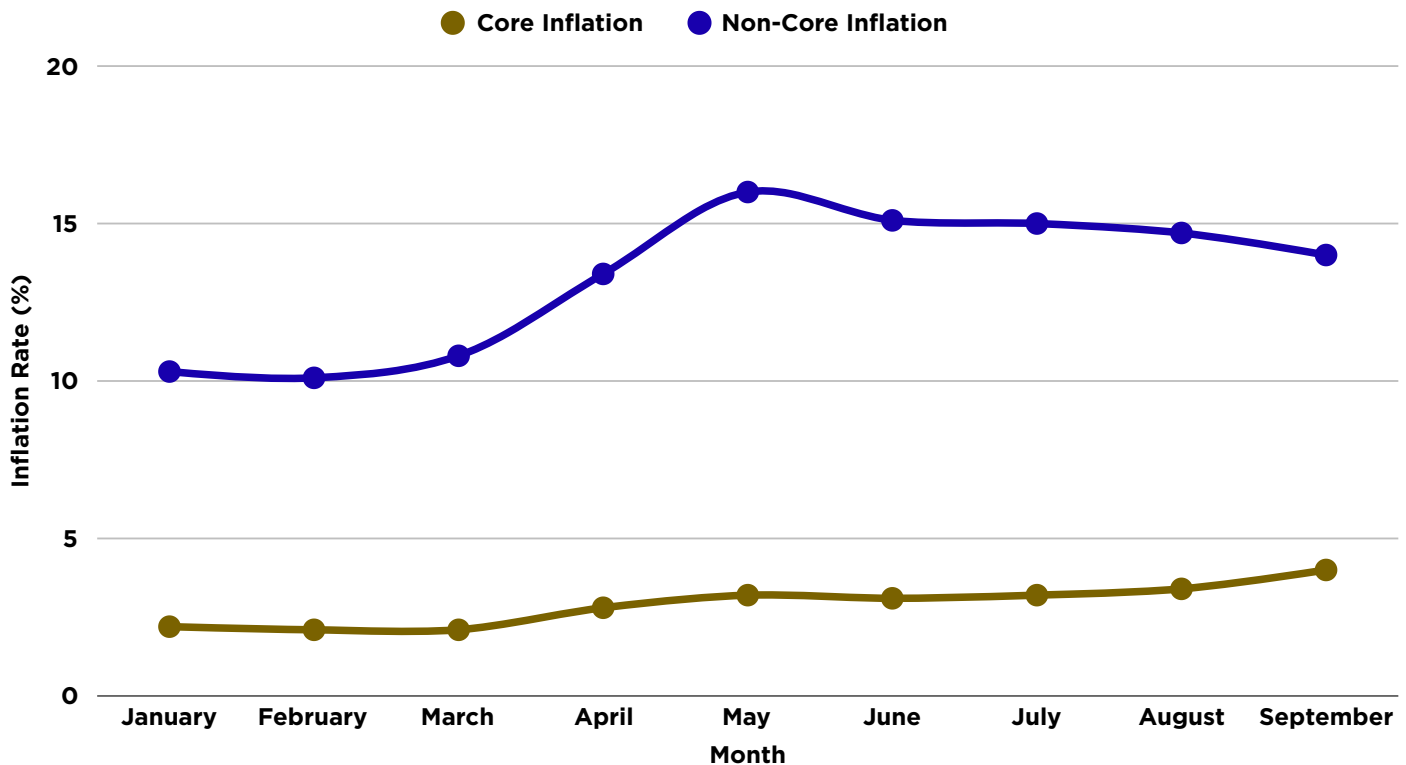
The argument is not that fuel has somehow moved into the core basket; fuel remains among the volatile items excluded from the core measure. The concern is that a shock that began with volatile items can generate second-round price increases elsewhere. Transport provides one of the clearest examples.

KNBS recorded a 20 per cent increase in a selected city bus/matatu fare between March and April, followed by a 25 per cent increase in a selected city route between April and May.

In June, one selected city route recorded a further 42.9 per cent increase. These are individual price observations rather than a national fare index, but they show how quickly the fuel shock was reflected in some commuter prices.

The question now is whether those increases unwind when the original cost pressure does.

Core and Non-Core Inflation 2026



The decline in fuel prices suggests easing inflationary pressures, but the minimal response in fares indicates delayed or limited transmission to consumers, affecting policy effectiveness.

The fuel side of the equation has already changed. Diesel in Nairobi reached Sh242.92 a litre in the May-June pricing cycle after EPRA raised it by Sh46.29. By the September-October cycle, the maximum retail price had fallen to Sh217.86, down about 10.3 per cent from the May peak.

The fare response has been much less dramatic. KNBS recorded a 0.3 per cent decline in city bus and matatu fares between August and September, and a 1.0 per cent decline in inter-town fares. The transport division as a whole fell 0.4 per cent during the month, largely because fares eased even as international air travel became more expensive.

That is not evidence that operators have refused to reduce fares everywhere, nor does it establish that every route has behaved in the same way. It does show something more modest and more measurable: the reversal in fuel prices has so far produced only small movements in the recorded fare basket.

The asymmetry is therefore worth watching. A fuel shock can be passed through to commuters almost immediately, as the fare increases in April and May demonstrated. A fall in fuel prices does not necessarily produce an equivalent reversal. That is the ratchet that the inflation data cannot yet settle.

The October 14 Cliff

The next test is fiscal, not monetary. The reduced 8 per cent VAT rate on petroleum products is scheduled to run until October 14.

The government extended the measure in July as global oil prices remained volatile, and Treasury Cabinet Secretary John Mbadi said in August that the government would assess international oil conditions before deciding whether to extend it further.

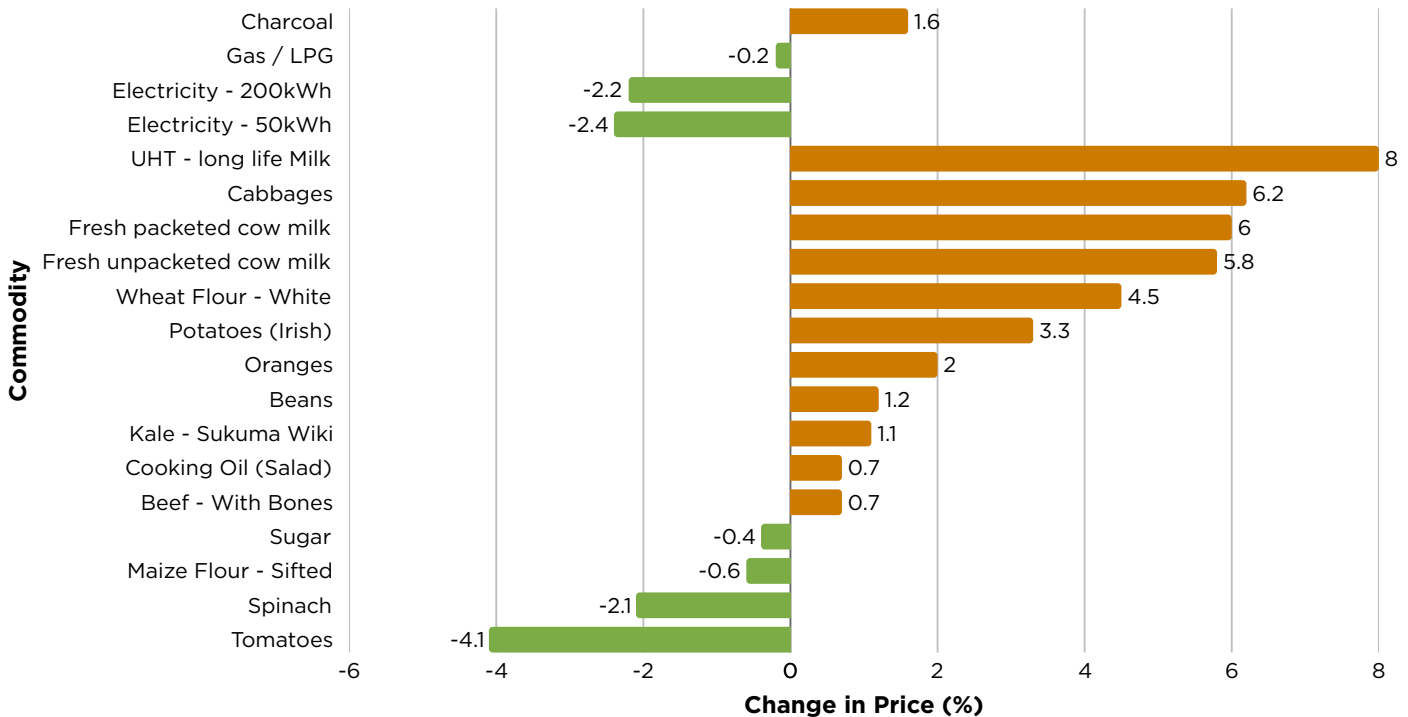
At the current Nairobi pump price of Sh217.86 for diesel, the 8 per cent VAT component is about Sh16.14 a litre. For petrol at Sh214.03, it is about Sh15.85.

If the tax rate returned to 16 per cent without any offsetting change in the underlying pre-tax price, the VAT component would roughly double.

That does not mean the pump price would automatically rise by exactly that amount. EPRA's monthly formula incorporates several other components, and international landed costs could move in either direction before the October review. But it establishes the scale of the fiscal exposure.

October 14, when EPRA reviews fuel taxes and prices, is a pivotal date for policymakers and analysts, as it could influence inflation and economic stability in the near term.

Percentage Change in National Average Retail Prices of Selected Commodities, August - September 2026



If the 8 per cent rate is extended, the immediate tax shock would be avoided, but the Treasury would continue carrying the cost of the relief. If it expires, households and transport operators could face another increase at the pump even before considering how quickly that increase might feed into fares and other prices.

What CBK Can, And Can't, Do

The Monetary Policy Committee meets on October 7. The Central Bank Rate has been held at 8.75 per cent since February, after ten consecutive cuts brought it down from 13 per cent. The problem for monetary policy is that the current inflation pressure has several sources that an interest-rate decision cannot directly remove.

A higher policy rate cannot lower the price of imported crude. It cannot decide whether the 8 per cent fuel VAT survives October 14. It cannot instruct matatu operators to reverse a fare increase. What it can do is influence demand, inflation expectations, exchange-rate conditions and the cost of credit.

The other side of that equation is already visible. The average commercial lending rate was 14.34 per cent in August, compared with the 8.75 per cent CBR. A further tightening would therefore come at a time when the economy is still carrying the effects of the earlier cost shock. In contrast, a further easing would have to contend with core inflation at 4 per cent and headline inflation moving towards the top half of the CBK's target range.

The important question on October 7 is therefore less about whether the CBK can make the 6.8 per cent disappear and more about what it believes the September number says about inflation's persistence.

The Test

There are two dates to watch. The first is October 7, when the MPC will decide whether the existing monetary-policy stance remains appropriate.

The second is October 14, when the fuel VAT relief ends as scheduled, and EPRA's next pricing cycle begins.

The evidence to date points in two directions. Non-core inflation remains exceptionally high but has eased from its May peak, suggesting that part of the original fuel and food shock is losing intensity. Core inflation, however, has moved steadily higher and reached 4 per cent in September.

That is the real 6.8 per cent problem. If fuel prices rise again and transport fares follow, the September inflation number will look less like a peak and more like another step in a new cost cycle.

If the VAT relief is extended, fuel prices stabilise, and core inflation begins to fall, the case for the September spike being largely shock-driven becomes stronger.

The next few weeks will tell us which of those two stories Kenya is actually living through.

Lamu's heritage is only as safe as the livelihoods beneath it



Most heritage sites are preserved as museums. Lamu Old Town is unusual because it still functions as a town even though its alleys have no cars, and donkeys do the carrying.

Fishermen go out and come back with the tide, and mosques anchor the day. UNESCO inscribed it in 2001 as one of the oldest and best-preserved Swahili settlements in East Africa. That recognition came from continuity: people still live there the old way.

On September 30, Ruto and Dangote broke ground on a refinery intended to process up to 700,000 barrels a day with planners projecting up to 60,000 direct and indirect jobs.

The refinery sits on the mainland at Kililana, but it brings a petrochemical complex, a power plant and, in the President's words, a new big city. Lamu is being asked to host a second economy, and the old one has to find its place alongside it.

The Sea Is The First Test

Fishing is more than a trade in Lamu. It is a way of knowing the water, the seasons and the grounds. It is also where the corridor has already left its mark.

When the port was built, fishermen went to court, arguing that they had not been consulted and that dredging had damaged mangroves, seagrass and coral.

In 2018, the High Court found that their rights, including their cultural rights, had been violated and ordered Sh1.76bn in compensation. The payout came about six years later, by which time fishermen were protesting in the old town streets, saying their simple gear struggled in the rougher waters the port had created.

That history is the most useful guide to what comes next. Environmental groups are already raising concerns about the refinery's impact on the marine ecosystem, and reporters have highlighted mangroves and possible pollution reaching the Indian Ocean.

A fishing culture does not disappear in a single dramatic day. It thins as the catch changes, costs rise, and young people decide the sea is no longer their future. The question for the page is not whether Lamu will keep dhows for the postcards. It is whether the next generation will still work them.

Land Is Memory As Well As Property

The most human aspect of the dispute is in Chandavai. A group of 133 residents has gone to court over land they say their families have farmed and lived on for generations, with homes, mosques and shrines built on it.

They say they are not against development but want their claim recognised before the diggers arrive.



The government says the land is its own and part of the economic zone, and the court has not yet ruled on ownership. This is where culture meets economics. A shrine on contested land is a history that a bulldozer cannot move.

Meanwhile, the Governor and Dangote have urged residents not to sell cheaply, expecting values to climb. The Governor has also warned about opportunistic buyers, including those targeting people on ancestral land without title.

The advice is sound, but it only helps those who hold the paper. A rising land market rewards the documented and leaves the long-settled but undocumented exposed.

Who Moves In

Ruto has promised to prioritise young people from Lamu and neighbouring counties for jobs and training, and Dangote has promised an engineering school in Lamu. These are welcome commitments. But 60,000 jobs is a large number for a county whose population was 143,920 at the 2019 census.

Much of the skilled work will draw people from elsewhere, and the town they arrive in will feel it in rents, the market, the language on the street and how crowded the ferry gets.

None of that is a reason to fear newcomers. Lamu has always been a meeting place, shaped by traders and settlers from across the Indian Ocean. The difference lies in pace and scale. A culture can absorb strangers over generations, but it struggles to do so in a few construction seasons.

The test of the project's promise on local hiring is whether Lamu's young people end up in the skilled roles, and whether anyone is keeping a public count.

The Tourism Bargain

Many people in Lamu depend on visitors, and they want clearer assurances about their livelihoods. Visitors come for what industry cannot manufacture: a place that seems to have stood still.

The refinery is not in the old town, but it is close enough to change how the place is seen from the water, how it is marketed, and perhaps how UNESCO views its integrity.

The World Heritage Committee has previously expressed concern about the corridor's impact on the site. Lamu's cultural economy depends on that image, so protecting it is as much a livelihood issue as a heritage one.

Can The Two Coexist?

They can, but not on sentiment or by default. So far, the pattern at Lamu is that approvals and construction move quickly, while consultation, compensation, and safeguards arrive late. Ruto has said land matters will be handled lawfully and fairly, and that environmental and social safeguards will be enforced.

If that holds, Lamu could be a rare case of industry and living heritage side by side. If the old pattern repeats, the heritage will survive on paper, in plaques and festivals, while the lives that made it will move elsewhere.

Dangote said Lagos proved the refinery could be built, and Lamu must prove it can be replicated. For Lamu, the proof required is different: that a community can preserve its sea, its land and its story through a boom. That is the standard by which the island will be judged, and it will be evident long before the first tanker leaves port.

Nyandarua Senator John Methu and his Nairobi counterpart Edwin Sifuna, sharing a light moment at the burial of Jackson Karua on October 3

ISSUE 0018

OCTOBER 5, 2026

The Chronicle

WEEKLY

www.thechronicle.co.ke