

CORPORATE NEWS

Supporting women-owned firms to access private contracts will promote healthy competition and change the view that the construction sector is male-dominated" **SEDDIQ HASSANI**, | BAMBURI CEMENT MD

Jubilee in Sh1.7bn funding for Seacom fibre shares

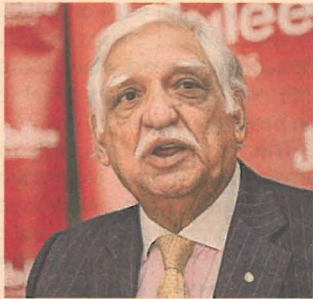
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Jubilee Holdings has lent Sh1.7 billion to its associate IPS Cable Systems Limited, with the funds used to buy additional shares in the Seacom submarine fibre optic cable project.

The insurer owns a 33.3 percent stake in IPS, giving it an indirect interest in Seacom.

"During the year, the group advanced a loan to IPS Cable Systems Ltd. In December 2021, funds were transferred to IPS Cable Systems Limited, an associate of the Jubilee Group, toward their financing of additional shareholding in Seacom through IPS Cables Holdings Limited," Jubilee says in its latest annual report.

"This funding has been envis-

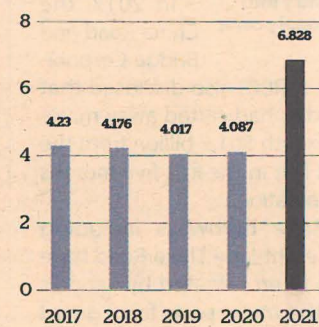


Jubilee Holdings Group chairman Nizar Juma during a March 31 briefing in Nairobi. —JEFF ANGOTE

aged as a debt instrument and the return shall be linked to the economic participation of IPS Cable Systems Limited. As at 31 December 2021, the terms for the financing were yet to be agreed and hence the amount was classified as an advance to related parties."

Jubilee holdings net earnings (Sh bn)

THE INSURER POSTED A 67 PERCENT INCREASE IN NET EARNINGS



SOURCE: COMPANY STATEMENTS

After year-end, the Nairobi Securities Exchange-listed firm announced its indirect ownership in Seacom had increased. This indicates that IPS

had bought additional shares in the fibre optic firm using the funds from the insurer.

Jubilee announced in early March that its interest in Seacom had jumped to 18.8 percent from the previous 8.8 percent, representing an acquisition of an additional 10 percent equity.

The transaction underlines Jubilee's preference for investing long-term in private infrastructure projects that can absorb substantial capital while generating stable returns with minimal volatility.

"This additional investment will continue to provide us with stable and consistent returns," Jubilee's chairman Nizar Juma said at the time.

Seacom is a Sh75.7 billion, 15,000-kilometre submarine fibre optic cable project.

AfDB to sustain scrutiny on Kenya project tenders

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The African Development Bank (AfDB) has warned of sustained sanctions against firms and individuals for fraud and corruption in multibillion-shillings projects financed by the development agency in Kenya.

The bank's Vice-President for Power, Energy, Climate, and Green Growth, Kevin Kariuki said scrutiny of procurement and expenditure programmes would be continued to curb abuse.

"We would not relent in ensuring our funds are applied fairly and ethically," he said on the sidelines of the lender's annual general meeting in Accra.

An increasing number of individuals and firms were recently banned for procurement malpractices

"Every action must be accounted to guarantee the legitimacy of our financing and partnership programmes," he added. An increasing number of individuals and firms were recently banned for procurement malpractices involving projects funded by the AfDB in Kenya.

The bank has recently banned a Chinese company, Weihai Construction Group, for fraud in three multi-billion-shilling infrastructure projects in Kenya.

The bank said an investigation conducted by its Office of Integrity and Anti-Corruption established that Weihai engaged in fraudulent practices in the Sh33 billion Kenol-Sagana-Marua

We would not relent in ensuring our funds are applied fairly and ethically. Every action must be accounted,"

KEVIN KARIUKI | AFDB VICE PRESIDENT FOR POWER, ENERGY

highway improvement project, phase two of the Nairobi Rivers Basin Rehabilitation and restoration Programme: sewerage improvement project, Phase II, and the towns sustainable water supply and sanitation programme.

During the 35 months debarment period, Weihai and its affiliates will be ineligible to participate in AfDB-financed projects. Additionally, the debarment qualifies for cross-debarment by other multilateral development banks under the Agreement for Mutual Enforcement of Debarment Decisions, including the Asian Development Bank, the European Bank for Reconstruction and Development, the Inter-American Development Bank, and the World Bank Group.

The ban on Weihai in December added to the list of firms that have been punished for irregularities in Kenyan projects.

In the dock

NAIROBI Executive Director at Mwananchi Credit Limited Dennis Mombo when he testified at the Milimani Law Courts yesterday in a case where he was violently robbed Sh80,000 and jewelries valued Sh330,000 on the night of October 31 and November 1, 2015 at Day Kio Heights Apartment in Lavington. —DENNIS ONSONGO



Bamburi, IFC link up to expand women SMEs procurement

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Bamburi Cement has partnered with the International Finance Corporation (IFC) on a programme to diversify its supply chain and support women by increasing procurement opportunities.

Through IFC's Sourcing2Equal programme which supports

33%

SME

Firms in Kenya are owned by women contributing 20 percent of GDP

women-owned SMEs in Kenya to become procurement ready and able to access contract opportu-

nities, the partnership seeks to reduce gender-based barriers in the private sector.

The partnership involves three main items including the development and implementation of a gender-inclusive sourcing strategy, collection of gender-disaggregated procurement data, and a targeted supplier outreach program that will raise awareness of procurement opportunities

at the company.

"IFC is working with Bamburi Cement and the other partners to support women-owned businesses to increase their participation in corporate procurement," said Amena Arif, IFC Country Manager for Kenya.

"By helping businesses to work with more women-owned SMEs and supporting women entrepreneurs to be procure-

ment ready, we can break down barriers and support more small businesses to grow."

Women SMEs continue to face challenges while navigating complex corporate value chains.

"Supporting women-owned firms to access private contracts will promote healthy competition and change the view that the construction sector is male-dominated," Seddiq Hassani added.

Bamburi Cement will conduct awareness and advocacy activities to help level the playing field through sourcing from women-owned businesses.

Three in ten (33 percent) small and medium-sized enterprises are owned by women and contribute 20 percent to the gross domestic product, a 2021 survey conducted in Kenya by IFC shows.