



# **LAUNCH OF BUDGET PREPARATION PROCESS FOR FINANCIAL YEAR 2022/23 AND THE MEDIUM-TERM**

## **HIGHLIGHTS OF THE THIRD MEDIUM TERM PLAN (MTP 2018-2022)**

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# Introduction



- The Government is past mid-way in implementing the Third Medium Term Plan (MTP 2018-2022) of Kenya Vision 2030 whose theme is ***"Transforming Lives: Advancing Socio-economic Development through the "Big Four.""***
- The MTP III outlines sector policies, programmes and projects through which annual budgeting within the Medium Term Expenditure Framework (MTEF) is prepared.
- The policies, programmes and projects aim at achieving aspirations of the **"Big Four" agenda; Sustainable Development Goals** and **Africa's Agenda 2063** and other regional and international economic development frameworks.
- The Government has prepared the **First** and the **Second Annual Progress (APR) Reports** on implementation of MTP III and is in the process of preparing the Third APR.
- The Government is also in the process of undertaking the **Mid-Term Review** of MTP III. The MTR will assess the level of implementation of MTP III to inform its implementation over the remaining period as well as to inform development of the **Fourth MTP 2023-2027**.





# Introduction



- Implementation of MTP III was faced with various challenges. It included;
  - Slow uptake of programmes and projects for implementation through Public Private Partnership (PPP);
  - Recurrence of Drought which affected agricultural activities
  - Locust invasion which affected crop production
  - Flooding which destroyed infrastructure, crops and properties as well as claiming lives;
  - Lower than targeted revenue collections viz a vis high expenditures for MTP III programmes and projects;
  - Covid-19 pandemic from early 2020





# Introduction



- The 2022/23-2024/25 Medium Term budget will implement the last financial year (2022/23) of the MTP III.
- The Medium Term Budget will also provide estimates that will guide implementation of first two financial years of Fourth MTP 2023-2027.
- Setting of development priorities for the 2022/23-2024/25 Medium Term Budget will therefore take cognizance of:
  - Challenges faced in implementation of MTP III;
  - Development priorities in MTP III and
  - Development priorities to be identified in the Fourth MTP 2023-2027.





# 2022/23-2024/25 Development Priorities



The development priorities for 2022/23-2024/25 will include:

- Continued implementation of Economic Recovery Strategies (ERS) in light of the negative effects brought about by the Covid-19 pandemic. The pillars of the ERS include:
  - i. Enhanced Budgetary Allocations to Strengthen Health Care Systems;
  - ii. Enhanced Role of the Private Sector in the Recovery Strategy;
  - iii. Support to Recovery and Growth of MSMEs;
  - iv. Up-scale Investment in ICT and Digital Infrastructure;
  - v. Facilitated Clean, Green and Resilient Growth;
  - vi. Increased Resilience of the Economy to Global Supply Chain Shocks;
  - vii. Improved Economic Management and Governance;
  - viii. Strengthened National Capacity for Disaster Risk Management;
  - ix. Addressing Inequality, Social Cohesion, Community Resilience and Strengthening Social Protection; and
  - x. Coordinated Multilateral and Regional Collaboration Initiatives





## 2022/23-2024/25 Development Priorities

- Fast-tracking implementation of the **"BIG FOUR" AGENDA**
  - i. Agriculture:
    - Undertaking agricultural reforms to support production of food and cash crops, and livestock
    - Promotion of agricultural extension services
    - Promotion of markets for cash crops in both domestic and international markets
    - Improvement of irrigation infrastructure
    - Crops and livestock disease control





# 2022/23-2024/25 Development Priorities

## ii. Health Care:

- Strengthen social health protection programmes
- Promote disease surveillance and preparedness and continue enhancing Covid-19 vaccinations
- Promote prevention and treatment of Non-communicable Diseases (Cancer, Diabetes, renal and heart). This will include attraction of public private partnership in setting up specialized treatment facilities across the country
- Improvement of health care infrastructure in all public hospitals and health centres
- Improvement of health human resources

## iii. Manufacturing:

- Promote agro-processing of food and cash crops, and livestock products
- Attract investment for leading multinational companies to set up regional production and logistics centres in the country
- Attract investments in the Special Economic Zones and Industrial parks
- Improve ease of doing business to attract domestic and foreign investors





# 2022/23-2024/25 Development Priorities



## iv. Affordable housing:

- Promote construction of affordable housing both by National and County Governments. This will include partnering with private investors to develop low cost housing.
- Establish national housing database to provide housing data, market information, best practices and risk assessment
- Development of urban social infrastructure such as modern recreation facilities

## ENABLERS

**Infrastructure:** Fast-track completion of roads, rail, airport, seaport projects. These will improve ease of doing business and make the country competitive in the region;

## **Information Communication and Technology:**

- Promote investment in Konza City Technopolis
- Extension of National Optic Fibre Infrastructure and county connectivity project
- Promote e-waste management







# 2022/23-2024/25 Development Priorities



**Science Technology and Innovation:** promote application of STI in all sectors as an engine for productivity improvement

## **Land Reforms:**

- Review land management policies to take into account increase in population, urbanization and environmental sustainability
- Digitalization of land registries and implementation of National Land Management information System
- Registration and issuance of title deeds country-wide

## **Public sector Reforms :**

- Strengthen Result Based Management in the Public Sector
- Strengthen public sector institutions and enhance public service productivity

## **Labour and Employment:**

- Strengthen linkages between industry and training institutions and implementation of Kenya Youth Employment Opportunities project
- Scaling up national internship programme and skills development
- Promote research and training in occupational safety and health





# 2022/23-2024/25 Development Priorities



## ECONOMIC PILLAR

**Tourism:** Enhance destination marketing and product diversification to increase visitor arrivals and tourism earnings.

### Trade:

- Promote domestic and export trade development to provide market for local production
- Policy review to promote fair trade and consumer protection
- Development of trade strategies for the country to benefit from regional integration and preferential trade agreements

### Financial Services:

- Promote and regulate digital finance
- Deepen capital markets that include diversification of capital market products and strengthening capital market infrastructure
- Promote climate finance and disaster risk financing- i.e issuance of green bonds in priority sectors





# 2022/23-2024/25 Development Priorities



**Oil, Gas and Mineral resources:** Promote investment in up-stream, mid-stream and down stream infrastructure for oil and gas and value addition of mineral resources

## **Blue Economy:**

- Development of fisheries and maritime infrastructure
- Promote aquaculture business development
- Capacity building for blue economy and promotion of Kenya as Agro-based Blue economy

## **SOCIAL PILLAR**

### **Education and Training:**

- Improvement of schools, colleges and universities infrastructure to sustainably handle improved enrolments and retentions
- Scale-up integration of ICT into teaching, learning and training
- Promote Special Needs interventions to promote education equity and equality





# 2022/23-2024/25 Development Priorities



## Environment, Water, Sanitation and Regional

### Development:

- Strengthen waste management and pollution
- Enhance forest conservation and management to attain 10% forest cover
- Improve irrigation and drainage infrastructure
- Implementation of sewerage programmes in urban areas
- Implement integrated regional development programmes to facilitate productivity in all regions

### Gender, Youth and Vulnerable Groups

- Review and scale-up targeted financing for youth women and persons with disabilities
- Strengthen social protection initiatives to enable vulnerable groups in the society live a decent life

### Sports, Culture and the Arts:

- Improvement of sport facilities
- Identification and nurturing of talents
- Conservation of national heritage



# 2022/23-2024/25 Development Priorities



## POLITICAL PILLAR

### Devolution:

- Capacity building and technical support to counties
- Promote inter-governmental relations and structures

### Governance and the Rule of Law

- Strengthen the criminal justice system
- Continue undertaking Judicial transformation
- Strengthen electoral and political processes to promote issue-based politics
- Strengthen legislative, policy and frameworks

## THEMATIC AREAS

The Government will prioritize implementation of interventions to curb the effects of HIV/AIDS, Climate Change and Disaster risks on socio-economic development.





# Conclusion

- Ministries, Departments and Agencies are required to:
  - Put in place supporting mechanism including fast-tracking necessary legislations/policies identified in the draft Economic Recovery Strategy and MTP III
  - Strengthen monitoring and evaluation of programmes and projects to inform policy and planning
  - ***Actively engage stakeholders in identification of policies, programmes and projects for the Fourth MTP 2023-2027 sector plans to ensure priority needs of the citizen is addressed***
- The National Treasury and Planning through the State Department for Planning will:
  - **Coordinate preparation of the Fourth MTP 2023-2027 through wide consultations**
  - Continue supporting MDAs in building capacity on Monitoring and Evaluation
  - Enhance strong collaboration in national development planning processes, and provide support to county governments development planning





**...ASANTENI SANA...**

