



REPUBLIC OF KENYA

STATE DEPARTMENT FOR PLANNING

THIRD ANNUAL PROGRESS REPORT 2020/21

On the Implementation of the Third Medium Term Plan
(2018-2022) of the Kenya Vision 2030





FOREWORD



FOREWORD



I am pleased to present the Third Annual Progress Report (APR III) on the implementation of the Third Medium Term Plan (MTP III) of the Kenya Vision 2030. The APR III provides a comprehensive assessment of the Government's performance and the results for the 2020/21 Financial Year (FY). The Report focuses on the performance of Ministries, Departments and Agencies (MDAs) against output and outcome targets across all sectors of Government and progress made in the implementation of key actions agreed at the beginning of the review period. Further, this report assesses progress against other Government's commitments in budget speeches and policy statements for the FY.

The aim of the report is threefold: to provide a basis for accountability of the use of resources and the results achieved; to provide a basis for policy discussions within Government and to guide decisions on resource allocations in the subsequent FY. Specifically, this report is important in influencing planning and budgetary decisions for the 2022/23 FY and medium-term budget.

It is anticipated that the pandemic will continue to impact on various sectors of the economy in the forthcoming years. Consequently, the sectors will have to reprioritise their programmes under an envisaged constrained fiscal space. Towards this, the Government has developed the post-COVID-19 Economic Recovery Strategy which seeks to reposition the economy on a steady and sustainable growth trajectory. It is expected that this report will enable Ministries, Departments and Agencies to build on the milestones achieved during the review period, initiate corrective mechanisms to address the highlighted implementation challenges and forge ahead to realise the aspirations of Kenya Vision 2030.

I would like to extend my appreciation to the Principal Secretary, State Department for Planning Mr. Saitoti Torome, CBS for not only providing technical and administrative support in the preparation of this report but also for his leadership in tracking and reporting of progress of implementation of our economic development blueprints.

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ACKNOWLEDGEMENTS



The preparation of this Third Annual Progress Report (APR III) on implementation of the Third Medium Term Plan (MTP III) was done as per the National Integrated Monitoring and Evaluation System (NIMES) reporting requirements. The report is based on the performance targets and indicators set out in the MTP III National Reporting Indicators Handbook. The report focuses on what has been achieved against set targets based on the data provided by the Ministries, Departments and Agencies (MDAs) and analysed by the Monitoring and Evaluation Directorate. It further presents the key challenges that hampered effective implementation of the 2020/21 FY planned activities and appropriate recommendations to enhance future execution.

The Report benefited from inputs and comments from across the Ministries, Departments, Agencies and Parliamentary Budget Office. The useful suggestions provided during the validation workshop are highly appreciated.

I am grateful to the Cabinet Secretary for his support and making a success out of our efforts. Further, I would like to acknowledge the Monitoring and Evaluation Directorate team and other staff from the State Department for Planning led by Director Mr. Aloyce Ratemo for their hard work and dedication in the preparation and timely finalization of this report. I would like to express my sincere gratitude to the Economic Planning Secretary Mrs. Katherine Muoki for her continued leadership and technical support which helped in shaping the content and quality of this report.

This report is available in the following websites: www.planning.go.ke and www.monitoring.planning.go.ke.

SAITOTI TOROME, CBS

Principal Secretary,

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ACRONYMS AND ABBREVIATIONS

ADR	Alternative Dispute Resolution
AEZ	Africa Economic Zones
AfDB	African Development Bank
AGO	Automotive Gas Oil
AHITI	Animal Health and Industry Training Institute
ANSS	AnyWay's Natural Soil Stabilizers
APRs	Annual Progress Reports
ASA D-REIT	Acorn Student Accommodation Development Real Estate Investment Trust
ASA I-REIT	Acorn Student Accommodation Income Real Estate Investment Trust
ASAL	Arid and Semi-Arid Lands
ASTGS	Agricultural Sector Transformation and Growth Strategy
ATA	Anti-Terrorism Assistance
ATDCs	Advanced Technology Development Centers
AU	African Union
BPO	Business Process Outsourcing
BSL 3	Bio- Safety Laboratory Level 3
CAADP	Comprehensive Africa Agricultural Development Programme
CAIDI	Customer Average Interruption Frequency Index
CCARF	Coffee Cherry Advance Revolving Fund
CHIPP	Change Intervention Programme for Probation
CIDCs	Constituency Industrial Development Centres
CIDPs	County Integrated Development Plans
CIS	Credit Information Sharing
CNC	Computer Numerically Controlled
COVID-19	CoronaVirus Disease 2019
CSRIC	Communications Security, Reliability, and Interoperability Council
DCF	Devolved Climate Finance
DCF-MIS	Devolved Climate Finance Management Information System
DFZ	Disease Free Zones
DMU	Diesel Multiple Units
DOC	Day Old Chicks
DPK	Dual Purpose Kerosene
DRC	Democratic Republic of Congo
DRM	Disaster Risk Management
DRR	Disaster Risk Reduction
DTI	Dairy Training Institute
DWT	Deadweight Tonnes
EACC	Ethics and Anti-Corruption Commission
EARNP	East African Road Network Project
EATFP	East African Trade Facilitation Project
EDE	Ending Drought Emergencies
EFT	Electronic Funds Transfer



EMPRETEC	Entrepreneurs and Technology
EPCF	Engineering, Procurement, Construction and Financing Contract
EPZ	Export Processing Zones
ESIA	Environmental and Social Impact Assessment
FNS	Food and Nutrition Security
FSS	Financial Services Sector
FY	Financial Year
GDP	Gross Domestic Product
HRB	Hydraulic Road Binders
HSNP	Hunger Safety Net Programme
IAEA	International Atomic Energy Agency
ICDs	Inland Container Depots
ICT	Information and Communication Technology
IDA	International Development Association
IED	Improvised Explosive Device
IPOA	Independent Policing Oversight Authority
ISSOS	Informal Sector Skills and Occupation Survey
JCTTAT	Joint Counter Terrorism Training Advisory Team
JKIA	Jomo Kenyatta International Airport
JOA	Job Opportunity Analysis
KALRO	Kenya Agricultural and Livestock Research Organization
KCC	Kenya Cooperative Creameries
KCHSP	Kenya Continuous Household Survey Programme
KCSAP	Kenya Climate Smart Agriculture Project
KDF-FPF	Kenya Defense Forces Food Processing Factory
KETRA	Kenya Trade Remedies Agency
KIBT	Kenya Institute of Business Training
KIEP	Kenya Industry and Entrepreneurship Project
KLMIS	Kenya Labour Market Information System
KNBS	Kenya National Bureau of Statistics
KNSL	Kenya National Shipping Line
KOFC	Kenya Ordnance Factories Corporation
KOMEX	Kenya National Multi Commodity Exchange
KOSAP	Kenya Off-grid Solar Access Programme
KOT	Kipevu Oil Terminal
KPCU	Kenya Planters Co-operative Union Limited
KRA	Kenya Revenue Authority
KV	Kilovolt
KYEOP	Kenya Youth Employment and Opportunities Project
LAPSSET	Lamu Port-South Sudan-Ethiopia Transport Corridor
LFS	Labour Force Survey
LPG	Liquefied Petroleum Gas
LVSR	Low Volume Seal Roads
M&E	Monitoring and Evaluation
MAMER	Ministerial Annual Monitoring and Evaluation Report



MDACs	Ministries Departments Agencies and Counties
MDAs	Ministries, Departments and Agencies
MET	Maritime Education Training
MGR	Meter Gauge Railway line
MSC	Mediterranean Shipping Company
MSEA	Micro and Small Enterprises Authority
MSMEs	Micro, Small, and Medium Enterprises
MT	Metric Tonnes
MTEF	Medium Term Expenditure Framework
MTP	Medium Term Plan
MW	Megawatt
NCP	National Co-operative Policy
NDEF	National Drought Emergency Fund
NDICCC	National Development Implementation and Communication Cabinet Committee
NDITC	National Development Implementation Technical Committee
NDMA	National Drought Management Authority
NEA	National Employment Authority
NEMA	National Environment Management Authority
NEMIS	National Education Management Information System
NETIP	North Eastern Transport Improvement Project
NIFC	Nairobi International Financial Centre
NITA	National Industrial Training Authority
NMC	Numerical Machining Complex
NOFBI	National Optic Fibre Backbone Infrastructure
NPHR	Net Plant Heat Rate
NUTRIP	National Urban Transport Improvement Project
ODPP	Office of the Director of Public Prosecution
OSH	Occupational Safety Health
PAVI	Pamba and Viasi
PAYE	Pay As You Earn
PFM	Public Finance Management
PMS	Petrol Motor Spirit
PPE	Personal Protective Equipment
PPP	Public Private Partnerships
PV	Photovoltaic
RET	Renewable Energy Technology
SDGs	Sustainable Development Goals
SEZs	Special Economic Zones
SGR	Standard Gauge Railway
SIGNET	Secure Integrated Global Network
SMEs	Small and Medium-sized Enterprises
ST&I	Science Technology and Innovation
STCW	Standards of Training, Certification and Watch-keeping
TEUs	Twenty-foot Equivalent Units



TPS	Tourist Police Service
TSA	Tourism Satellite Account
UFAA	Unclaimed Financial Assets Authority
UHC	Universal Health Coverage



Table of Contents

FOREWORD.....	ii
ACKNOWLEDGEMENTS	iv
ACRONYMS AND ABBREVIATIONS.....	v
Table of Contents	ix
List of Tables	xii
List of Figures.....	xiii
EXECUTIVE SUMMARY	xiv
CHAPTER ONE	2
OVERVIEW OF KENYA VISION 2030 AND MEDIUM-TERM PLAN III.....	2
1.1 Overview of Kenya Vision 2030	2
1.2 Overview of the Third Medium Term Plan (2018-2022)	2
1.3 The Third Annual Progress Report and its Preparation Process	3
1.4 Organization of the Report.....	3
CHAPTER TWO	6
MACROECONOMIC FRAMEWORK	6
2.1 Overview.....	6
2.2 Overall Economic Performance	6
2.3 Macroeconomic Performance.....	7
2.4 Performance of Key Macroeconomic Indicators	10
2.5 County Government fiscal performance	16
2.6 Structural Reforms.....	16
2.7 Tax Reforms	17
CHAPTER THREE	19
FOUNDATIONS FOR NATIONAL TRANSFORMATION	19
3.0 Overview	19
3.1 Infrastructure	19
3.2 Information Communications and Technology (ICT)	32
3.3 Science, Technology and Innovation (ST&I)	34
3.4 Land Reforms	36
3.5 Public Sector Reforms.....	39
3.6 Labour and Employment.....	41



3.7 National Values and Ethics	44
3.8 Ending Drought Emergencies (EDE)	46
3.9 Security, Peace Building and Conflict Resolution	48
CHAPTER FOUR.....	53
ECONOMIC PILLAR.....	53
4.1 Agriculture and Livestock Sector	53
4.2 Manufacturing Sector	57
4.3 Tourism Sector.....	60
4.4 Trade Sector.....	62
4.5 Business Process Outsourcing	65
4.6 Financial Services Outsourcing.....	68
4.7 Oil, Gas and Other Minerals	70
4.8 Blue Economy	71
CHAPTER FIVE	75
SOCIAL PILLAR	75
5.1 Education and Training Sector	75
5.2 Health Sector.....	80
5.3 Environment, Water, Sanitation and Regional Development Sector	84
5.4 Population, Urbanization and Housing Sector	89
5.5 Gender, Youth and Vulnerable Groups	92
5.6 Sports, Culture and the Arts Sector.....	96
CHAPTER SIX	102
POLITICAL PILLAR.....	102
6.1 Devolution Sector.....	102
6.2 Governance and Rule of Law Sector	104
CHAPTER SEVEN.....	110
THEMATIC AREAS.....	110
7.1 Climate Change	110
7.2 HIV/AIDS.....	111
7.3. Disaster Risk Reduction.....	115
CHAPTER EIGHT	117
MONITORING AND EVALUATION ECOSYSTEM IN THE PUBLIC SECTOR.....	117
8.1 Overview.....	117
8.2 Summary of Monitoring and Evaluation Activities in the Public Sector	117



8.3 The challenges facing institutionalization of M&E	119
8.4 Lessons learnt.....	119
8.5 Recommendations.....	119
CHAPTER NINE	120
CHALLENGES, LESSONS LEARNT AND RECOMMENDATIONS.....	120
9.1: Challenges	120
9.2: Lessons Learnt.....	121
9.3: Recommendations	121



List of Tables

TABLE 2.1: GROWTH RATES PERFORMANCE (2016-2020)	7
TABLE 2.2: KEY MACROECONOMIC INDICATORS PERFORMANCE (2016/17- 2020/21)	10
TABLE 2.3: KENYA’S EXTERNAL DEBT SUSTAINABILITY	14
TABLE 3.1: ROADS SUB-SECTOR MTP III ACHIEVEMENTS FOR 2020/21 FY	19
TABLE 3.2: RAIL TRANSPORT SUB-SECTOR MTP III ACHIEVEMENTS FOR 2020/21 FY	24
TABLE 3.3: AIR TRANSPORT SUB-SECTOR MTP III ACHIEVEMENTS FOR 2020/21 FY	25
TABLE 3.4: MARITIME MTP III ACHIEVEMENT FOR 2020/21 FY	27
TABLE 3.5: ENERGY SUB-SECTOR MTP III ACHIEVEMENT FOR 2020/21 FY	28
TABLE 3.6: ICT SECTOR MTP III ACHIEVEMENT FOR 2020/21 FY	32
TABLE 3.7: SCIENCE, TECHNOLOGY AND INNOVATION MTP III ACHIEVEMENTS FOR 2020/21 FY	35
TABLE 3.8: LAND REFORMS SECTOR MTP III ACHIEVEMENT FOR 2020/21 FY	36
TABLE 3.9: PUBLIC SECTOR REFORMS MTP III ACHIEVEMENT FOR 2020/21 FY	40
TABLE 3.10: LABOUR AND EMPLOYMENT SECTOR MTP III ACHIEVEMENT FOR 2020/21 FY	42
TABLE 3.11: NATIONAL VALUES AND ETHICS SECTOR MTP III ACHIEVEMENT FOR 2020/21 FY	44
TABLE 3.12: EDE SECTOR MTP III ACHIEVEMENTS FOR 2020/2021 FY	47
TABLE 3.13: SECURITY, PEACE BUILDING AND CONFLICT RESOLUTION MTP III ACHIEVEMENT FOR 2020/21 FY	49
TABLE 4.1: AGRICULTURE AND LIVESTOCK SECTOR MTP III ACHIEVEMENTS FOR 2020/21 FY	54
TABLE 4.2: MANUFACTURING SECTOR MTP III ACHIEVEMENTS FOR 2020/21 FY	58
TABLE 4.3: TOURISM SECTOR MTP III ACHIEVEMENTS FOR 2020/21 FY	60
TABLE 4.4: TRADE SECTOR MTP III ACHIEVEMENTS FOR 2020/21 FY	63
TABLE 4.5: BUSINESS PROCESS OUTSOURCING SECTOR MTP III ACHIEVEMENTS FOR 2020/21 FY	66
TABLE 4.6: FINANCIAL SERVICES SECTOR MTP III ACHIEVEMENTS FOR 2020/21 FY	68
TABLE 4.7: OIL, GAS AND MINERALS SECTOR MTP III ACHIEVEMENTS FOR 2020/21 FY	70
TABLE 4.8: BLUE ECONOMY SECTOR MTP III ACHIEVEMENTS FOR 2020/21 FY	72
TABLE 5.1: EDUCATION AND TRAINING SECTOR MTP III OUTCOME ACHIEVEMENTS FOR 2020/21 FY	76
TABLE 5.2: HEALTH SECTOR MTP III ACHIEVEMENTS FOR 2020/21 FY	81
TABLE 5.3: ENVIRONMENT, WATER, SANITATION AND IRRIGATION SECTOR MTP III ACHIEVEMENTS FOR 2020/21 FY	85
TABLE 5.4: POPULATION, URBANIZATION AND HOUSING SECTOR MTP III ACHIEVEMENTS FOR 2020/21 FY	90
TABLE 5.5: GENDER, YOUTHS AND VULNERABLE GROUPS SECTOR MTP III ACHIEVEMENTS FOR 2020/21 FY	93
TABLE 5.6: SPORTS, CULTURE AND THE ARTS SECTOR MTP III ACHIEVEMENTS FOR 2020/21 FY	97
TABLE 6.1: DEVOLUTION SECTOR MTP III ACHIEVEMENTS FOR THE 2020/21 FY	103
TABLE 6.2: GOVERNANCE AND RULE OF LAW SECTOR MTP III ACHIEVEMENTS FOR 2020/21 FY	105
TABLE 7.1: CLIMATE CHANGE MTP III ACHIEVEMENTS 2020/21 FY	110
TABLE 7.2: HIV/AIDS MTP III OUTCOME ACHIEVEMENTS 2020/21 FY	111
TABLE 7.3: DISASTER RISK MANAGEMENT MTP III ACHIEVEMENTS FOR 2020/21 FY	116



List of Figures

FIGURE 2.1: ECONOMIC PERFORMANCE 2016-2020.....	7
FIGURE 2.2: AGRICULTURAL SECTOR PERFORMANCE (2016-2020).....	8
FIGURE 2.3: INDUSTRIAL SECTOR PERFORMANCE (2016-2020).....	9
FIGURE 2.4: SERVICE SECTOR PERFORMANCE (2016-2020)	9
FIGURE 2.5: GDP GROWTH 2016/17-2020/21	11
FIGURE 2.6: TREND ON GDP AND INFLATION 2016/17-2020/21.....	11
FIGURE 2.7: GROSS NATIONAL SAVINGS AND INVESTMENT (2016/17-2020/21)	12
FIGURE 2.8: TOTAL REVENUE, TOTAL EXPENDITURE, OVERALL BALANCE (INCLUDING GRANTS) (2015/16-2019/20)	13
FIGURE 2.9: TOTAL DEBT (2016/17-2020/21).....	13
FIGURE 2.10: CURRENT EXTERNAL BALANCE AS A PERCENTAGE OF GDP (2016/17-2020/21).....	15
FIGURE 2.11: INTERNATIONAL RESERVES (MONTHS OF IMPORT COVER) (2016/17-2020/21).....	16
FIGURE 7.1: 2021 DISTRIBUTION OF HIV PREVALENCE IN KENYA.....	113
FIGURE 7.2: NEW HIV INFECTIONS-ESTIMATES 2021	114



EXECUTIVE SUMMARY

This is the Third Annual Progress Report (APR III) on implementation of MTP III (2018-2022) of the Kenya Vision 2030 covering the 2020/21 FY. The report seeks to inform the Government and other stakeholders on the progress made towards achieving national development objectives outlined in the medium-term plan. It further identifies key challenges encountered and innovative ways to address them; and lessons learnt during implementation.

Macroeconomic Framework

The Kenyan economy continued to record mixed performance in the various sectors due to the effects of the Corona Virus Disease 2019 (COVID-19) pandemic. The pandemic affected the implementation of the MTP III targets and the “Big Four” agenda programmes and projects. The Ministry of Health containment measures greatly impacted on various sectors of the economy and negatively influenced the performance of various macroeconomic indicators. Specifically, the real Gross Domestic Product (GDP) is estimated to have contracted by 0.3 percent in 2020 compared to a revised growth of 5.0 percent in 2019. This was against the envisioned target of 6.6 percent in MTP III.

Agriculture, Forestry and Fisheries sectors were more vibrant in 2020 and grew by 4.8 percent in 2020 compared to 2.6 percent in 2019. This was despite contraction in global demand in 2020. Overall, the economy was mainly supported by accelerated growth in the Agriculture Sector recording an improved growth of 4.8 percent, financial and insurance activities, construction and health activities which grew by 5.6 percent, 11.8 percent and 6.7 percent respectively. The MTP III growth targets for overall GDP, Agriculture, Industry and Services Sectors for the year 2020 were 6.6 percent, 6.0 percent, 7.5 percent and 6.7 percent respectively. The overall economic performance and sectoral targets in 2020 were not achieved. Specifically, the Agricultural Sector recorded a growth of 4.9 percent while the Industry Sector grew by 3.8 percent against a target of 6.7 percent and 7.5 percent respectively. On the other hand, the Services Sector contracted by 2.2 percent against a target of 6.7 percent respectively.

The economic outlook by fiscal year revealed that in the 2020/21 FY, the economy registered a growth rate of 2.9 percent against a projected target of 6.8 percent. On the other hand, total revenue collection as a percentage of GDP declined from 16.4 percent in 2019/20 FY to 15.8 percent in 2020/21 FY.

The total expenditure and net lending increased slightly from 24.2 percent to 24.3 percent in the 2020/21FY. The low revenue collection coupled with high expenditure during the review period led to increase in the overall balance. The overall balance (including grants) expanded from -7.5 percent in the 2019/20 FY to -8.2 percent in the 2020/21 FY.

Foundations for National Transformation

A total of 1,553.97Km of newly bituminized classified roads were constructed while another 37,322.89Km of roads were maintained/rehabilitated. A total of 565.83Km of unclassified roads were put under periodic maintenance. The number of rail passengers handled grew from 2,830,000 in 2019/20 FY to 4,490,000 in 2020/21FY largely due to the easing of the COVID-19 containment



measures and the introduction of the 10pm passenger train between Nairobi-Mombasa-Nairobi. Rail Cargo handled increased from 4,678,000 tons in 2019/20 FY to 5,857,000 tons in 2020/21 FY. There was a decline in the air passengers handled from 9 Million in 2019/20 FY to 4.47 Million in 2020/21 FY due to the travel restrictions put in place to contain the spread of COVID-19. The volume of cargo handled also declined slightly from 364.6 Million Kgs in 2019/20 FY to 357 Million Kgs in 2020/21 FY. Cargo throughput grew from 33.64MT DWT in 2019/20 FY to 36.05MT DWT.

An additional 186.7 MW of power was added to the national grid upon completion of new power generation projects thus increasing the Country's capacity from 2,791.2 MW in 2019/20 FY to 2,977.9 MW in 2020/21 FY. New electricity connections were 707,315 compared to 500,397 connected the previous year. Mobile coverage increased from 96 percent in 2019/20 FY to 97 percent in 2020/21 FY. Internet connectivity also grew from 83.38 percent to 92.98 percent in 2020/21 FY. National digital TV coverage increased from 86 percent to 92 percent thus improving households' access to digital broadcast signals. The Country's Global Competitiveness Index (Rank) remained at 95 while the Global Innovation Index (Rank) improved from 86 in 2019/20 FY to 77 in 2020/21 FY. The percentage of GDP attributed to research and development increased from 0.8 in the 2019/2020 FY to 0.98 in the 2020/21 FY.

The total number of titles deeds registered and issued declined from 454,990 in 2019/20 FY to 403,431 in 2020/21 FY. Geo-referencing of land parcels for public institutions were done and 4,469 landless persons were resettled in Nakuru, Taita Taveta, Kilifi, Makueni, Machakos and Mombasa. The unemployment rate stood at 12.3 percent in 2020/21 FY due to 737,500 job losses as a result of the COVID-19 pandemic. Despite the job losses, the Labour Productivity Index increased from 3.1 in 2019/20 FY to 3.8 in 2020/21 FY boosted by a good performance of the Agricultural sector.

Unexplained wealth and other corruptly acquired assets worth KSh.7B which included land and other immovable properties, as well as KSh.210M in cash were recovered. The Police-to-Population ratio improved from 1:536 in 2019/20 FY to 1:470 in 2020/21 FY but the crime scene response time increased from 0.5 hours in 2019/20 FY to 2 hours in 2020/21 FY.

Economic Pillar

Crop production contribution to GDP was 16.6 percent while that of the livestock sub sector was 33.6 percent. In comparison to 2019/20 FY, there was a decrease in milk and meat produced by 1.8 percent and 24.7 percent respectively. The production recorded was 4048 Million Litres of milk and 563.6 thousand metric tons of meat. The value of poultry production increased beyond the targeted amount of 8 Billion to 34 Billion. Though the Sector did not attain the targeted 50 Million bags of maize, there was a slight increase in maize production from 39.8 Million bags in 2019 to 40.2 Million bags in 2020.

The Manufacturing Sector contribution to GDP was 7.6 percent and it grew by 2 percent. Tourism earnings for the period was KSh. 91.7Billion with international arrivals recording a total of 0.58 Million tourists while bed nights by Kenyans was 2.6 Million. Contribution of retail and wholesale trade to GDP was 8.1 percent while total Kenyan exports amounted to 643.7 Billion. In Business Process Outsourcing, the cumulative number of youths trained and connected to online jobs was 1.45



Million against a target of 1.5 Million due to support from strategic partners in addition to establishment of Constituency Innovation Hubs for free Wi-Fi.

The proportion of the population using formal financial services was 89 percent. The share of financial services contribution to GDP was 5.2 percent against a target of 8.1 percent. Savings as a percentage of GDP was 6.9 percent against a target of 21.2 percent which was a decline of 0.7 compared to 2019/20 FY.

Value of Fish and Fish products exported was KSh2.7 Billion against a target of KSh. 2.1 Billion. The target was surpassed mainly due to increased demand for marine fish in Europe and Nile perch fish maws in China. The increase in marine finfish exports partly was attributed to Government efforts to develop domestic capacity for industrial and semi-industrial deep-sea fisheries.

Social Pillar

The Gross Enrolment Rates (GER) at pre-primary, primary and secondary levels of education was 110.6 percent, 97.2 percent and 71.8 percent respectively. The transition rate from primary to secondary level was 91 percent. A total of 364,090 trainees were enrolled in Technical and Vocational Education Training (TVET) institutions. In addition, 89 percent of students who qualified for admission to the universities were placed into Bachelor's degree programmes and diploma courses with the remaining students opting to join other training institutions.

The neonatal, infant and under-five mortality rates stood at 21, 32 and 43 deaths per 1000 live births respectively. Maternal mortality rate was reported at 300 deaths per 100,000 live births. The proportion of births attended by skilled health personnel was 72.9 percent while the proportion of expectant mothers who completed four or more ANC visits was 52.2 percent. The inter-censual population growth per annum stood at 2.2 percent with a recorded total fertility rate 3.4 births per woman.

A total of 1402 affordable housing units were constructed. The total area of mountain ecosystems sustainably conserved and managed increased by 17 percent from 606,558 Ha in 2019/20 FY to 906,135 Ha in 2020/21 FY. The national population with access to water was 65.5 percent while the national sanitation coverage stood at 82.5 percent.

The Gender Gap Index score for Kenya in 2020 was 0.692. Towards improvement of the well-being of the vulnerable population, 13.7 percent of this population was covered by social protection systems. Nine international competitions were hosted and four cultural events were during the review period.

Political Pillar

The judge to population ratio was 1:276,537 against a target of 1:295,792. Seven (7) Court of Appeal judges were appointed bringing the total to 22, nine (9) ELRC judges were appointed bringing the total to 21 and eight (8) ELC judges were appointed bringing the total to 41. A total of five courts were constructed and twenty-two (22) courts established across the Country. The Case Tracking Module of the automated Case Management System was rolled out in all courts across the Country while the e-filing module of the system was operationalised in all courts in Nairobi. The Sector also



operationalized a mediation annex in fourteen (14) courts. A total of 170 corruption and economic crime cases were investigated against a target of 136 cases.

All the forty-seven (47) Counties were trained on Public Financial Management, Planning and M&E, Human Resource and Performance Management, Devolution and InterGovernmental Relations, Civic Engagement and Public Participation through the Kenya Devolution Support Program. Four interGovernmental consultative sectoral forums were convened under the Health, Manufacturing, Water and Public Service sectors.

Thematic Areas

Three counties were supported to establish Geographic Information system (GIS) based spatial plans that integrate climate change and disaster risk management. GreenHouse Gases (GHG) emissions were kept at 98 MtCO₂e as compared to 97 MtCO₂e in 2019/20 FY. The number of deaths, the injured and missing persons reduced from 27 persons per 100, 000 to 25 persons per 100,000 through increased use of multi-hazard early warning systems.

HIV prevalence stood at 4.3 percent as adult new infections decreased from 34,597 in 2019/2020 FY to 28,146 in 2020/21 FY. Mother to Child Transmission Rate stood at 9.7 percent against a target of 4.1 percent, this being an improvement from 10.8 percent in 2019/2020 FY. While a total of 1,199,101 people living with HIV/AIDS were kept on AntiRetroviral Therapy (ART), the number of HIV/AIDS related deaths remained high at 19,486.

The key challenges encountered in implementation of the programs and projects during the review period were the COVID-19 pandemic containment measures and budget cuts which resulted in scaling down of project/program activities and hampered achievement of some targets.



CHAPTER ONE





CHAPTER ONE

OVERVIEW OF KENYA VISION 2030 AND MEDIUM-TERM PLAN III

1.1 Overview of Kenya Vision 2030

Kenya Vision 2030 is a long-term development blueprint for the Country. The aim of Kenya Vision 2030 is to create “a globally competitive and prosperous Country with a high quality of life by 2030”. It is a vehicle that will transform Kenya into “a newly industrialising, middle-income Country providing a high quality of life to all its citizens in a clean and secure environment”. The Vision is anchored on three key pillars: Economic; Social; and Political with a crosscutting pillar for enablers.

The Economic Pillar aims to achieve and sustain an average economic growth rate of 10 percent per annum until the year 2030. Eight (8) priority sectors were identified based on their potential to drive this growth through various economic development programmes and projects. These sectors are: Tourism; Agriculture and Livestock; Trade; Manufacturing; Financial Services; Business Process Outsourcing (BPO); Blue Economy; and Oil, Gas and Mineral Resources.

The Social Pillar seeks to achieve a just, cohesive and equitable society living in a clean and secure environment. This is to be realized through transformation in six (6) key sectors namely: Education and Training; Health; Environment, Water, Sanitation and Regional Development; Population, Urbanization and Housing; Gender, Youth and Vulnerable Groups; and Sports, Culture and the Arts.

The Political Pillar aims at realizing an issue-based, people-centred, result-oriented and accountable democratic system. It also targets to move all Kenyans to the future as one nation. This will be achieved through: Adherence to the rule of law; Electoral and political reforms; Democracy and public service delivery; Transparency; Accountability and security; Peace building and Conflict management.

The Economic, Social and Political pillars of Kenya Vision 2030 are anchored on the following foundations: Macroeconomic stability; Governance reforms; Enhanced equity and wealth creation opportunities for the poor; Infrastructural Development; Science, Technology and Innovation (STI); Information and Communication Technology; Land Reforms; Labour and Employment; Security, Peace Building and Conflict Resolution; Public Sector Reforms; National Values and Ethics; and Ending Drought Emergencies.

The Kenya Vision 2030 is implemented through a series of 5-year Medium-Term Plans (MTPs) at the National level with county Governments implementing County Integrated Development Plans (CIDPs), which are aligned to the National MTP. The Government is currently implementing the Third Medium Term Plan which covers the period 2018-2022. Tracking the implementation of the MTPs is conducted through the Macro-economic and National Integrated Monitoring and Evaluation System (NIMES) frameworks. The achievements are documented in the Annual Progress Reports (APRs) and Mid Term Review Reports.

1.2 Overview of the Third Medium Term Plan (2018-2022)

The Third Medium Term Plan (MTP III) of the Kenya Vision 2030 whose theme is “*Transforming Lives: Advancing Socio-economic Development through the “Big Four”*” outlines the main policies,



legal and institutional reforms as well as programmes and projects that the Government plans to implement during the period 2018-2022. These policies, programmes and projects are aimed at achieving aspirations of the “Big Four” Agenda, Sustainable Development Goals and Africa Union Agenda 2063.

Overall, MTP III builds on the achievements of the first and second MTPs foundations and successes to continue the Country’s transformation and modernization in order to create more quality jobs, raise the living standards of every Kenyan, end inequality and lift more Kenyans out of poverty.

The MTP III and its financing framework prioritise delivery of the “Big Four” initiatives. The initiatives include: Increasing the manufacturing share of Gross Domestic Product (GDP) from 9.2 percent to 15 percent and agro-processing to at least 50 percent of total agricultural output; Providing affordable housing by building five hundred thousand (500,000) affordable houses in five years across the Country targeting the low income segment of the population; Enhancing Food and Nutrition Security (FNS) through construction of large-scale multi-purpose and smaller dams for irrigation projects, construction of food storage facilities and implementation of high impact nutritional interventions and other FNS initiatives; and Achieving 100 percent Universal Health Coverage (UHC).

1.3 The Third Annual Progress Report and its Preparation Process

This is the Third Annual Progress Report (APR III) on implementation of MTP III (2018-2022) of the Kenya Vision 2030 covering the 2020/21 FY. The scope of this Annual Progress Report (APR) is threefold. Firstly, it provides performance review and seeks to inform the Government and other stakeholders on the progress made towards achieving national development objectives and targets in the Medium-Term Plan. Secondly, the reports contain information on the progress in the implementation of policies, programmes and projects; pointing out implementation challenges encountered and innovative ways to address them; and Lessons learnt during implementation. Finally, the review of performance is based on targets as spelt out in the National Reporting Indicator Handbook for the MTP III and other key Government publications.

The Ministries, Departments and Agencies (MDAs) prepare respective Annual Monitoring and Evaluation Reports, which form the basis for the preparation of the APR. The annual reports from MDAs cover a financial year and highlight implementation status of policies, projects and programmes by each of the MDAs. The State Department for Planning through the Monitoring and Evaluation Directorate coordinates the compilation and analysis of submissions from all MDAs. The process also involves consultations with various state and non-state actors and is further subjected to a stakeholder validation process to enhance ownership. This process is undertaken in conformity with the National Integrated Monitoring and Evaluation System (NIMES).

1.4 Organization of the Report

This report is organized into nine (9) chapters as follows: Chapter one (1) presents an overview of the Kenya Vision 2030 and its third MTP (2018-2022) and the methodology of preparing APRs. Chapter two provides the performance of key macroeconomic indicators. Chapters three, four, five and six focus on the progress of implementation of the foundations for national transformation, Economic



Pillar, the Social Pillar and the Political Pillar respectively. Chapter seven presents achievements on thematic areas of the Third Medium Term Plan while chapter eight examines the Monitoring and Evaluation (M&E) ecosystem in the Public Sector. Finally, chapter nine provides key implementation challenges, lessons learnt and recommendations on how to improve implementation and reporting of development initiatives.



CHAPTER TWO





CHAPTER TWO

MACROECONOMIC FRAMEWORK

2.1 Overview

The economy continued to record mixed performance in the various sectors due to the effects of the COVID-19 pandemic. The COVID-19 containment measures greatly impacted on various sectors of the economy and negatively influenced the performance of various macroeconomic indicators. This was coupled with the reallocation of resources towards fighting the pandemic, scaling up of safety net programmes and tax relief measures implemented to cushion the vulnerable groups and businesses. However, the economy experienced some improvement in economic activities in the third and fourth quarters of 2020 albeit at a slowed pace following the opening up of the economy.

2.2 Overall Economic Performance

The real Gross Domestic Product (GDP) is estimated to have contracted by 0.3 percent in 2020 compared to a revised growth of 5.0 percent in 2019. This was against the envisioned target of 6.6 percent in MTP III. The slow growth was attributed to adverse effects of the COVID-19 and the consequent containment measures both domestically and internationally resulting in serious negative impacts on some key sectors of the economy. The restriction in movement and the need for social distancing led to disruption in labour supply while a reduction in household disposable incomes led to reduced demand for goods and services. Accordingly, many businesses, especially those related to tourism and educational activities closed down during the second quarter of 2020. However, pick up of economic activities resumed in the third quarter of 2020 though not to the full extent.

Overall, the economy was mainly supported by accelerated growth in the Agriculture, Forestry and Fisheries sector, financial and insurance activities, construction and health activities which grew by 4.8 percent, 5.6 percent, 11.8 percent and 6.7 percent respectively. A comparative analysis of the targeted and actual GDP growth rates over the period 2016-2020 is presented in Figure 2.1.



Figure 2.1: Economic Performance 2016-2020



Source: Economic Survey 2021

2.3 Macroeconomic Performance

The MTP III growth targets for overall GDP, Agricultural, Industry and Services Sectors for the year 2020 were 6.6, 6.0, 7.5 and 6.7 percent respectively, as shown in Table 2.1. The overall economic performance and sectoral targets in 2020 were not achieved. Specifically, the Agricultural Sector recorded a growth of 4.9 percent while the Industry Sector grew by 3.8 percent. On the other hand, the Services Sector contracted by 2.2 percent against a targeted growth of 6.7 percent. Table 2.1 presents the overall GDP and the performance of the three sectors during the MTP II period and first three years of MTP III.

Table 2.1: GROWTH RATES PERFORMANCE (2016-2020)

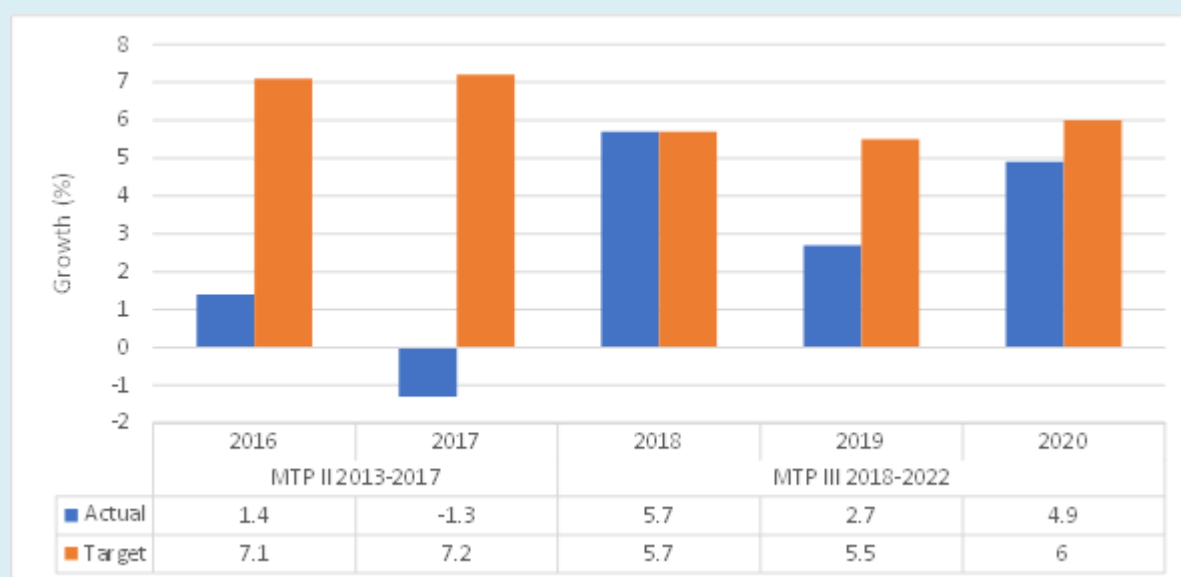
	MTP II 2013-2017				MTP III 2018-2022					
	2016		2017		2018		2019		2020	
	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
Overall GDP	9.6	4.2	10.6	3.8	5.8	5.6	6.3	5.0	6.6	-0.3
Agricultural Sector	7.1	4.7	7.2	1.6	5.7	6.4	5.5	2.7	6.0	4.9
Industry Sector	10.1	5.5	10.2	3.4	5.8	5.3	6.4	3.4	7.5	3.8
Services Sector	10	6.5	10.1	6.2	6.0	6.6	6.4	6.7	6.7	-2.2

Source: Economic Survey 2021

2.3.1 Agricultural Sector

The Sector is one of the “Big Four ” drivers aimed at improving food and nutrition security, promoting agro-processing and creating employment opportunities for the majority of people. Its contribution to GDP improved from a revised 21.2 percent in 2019 to 23.0 percent in 2020. In 2020, the Agricultural Sector grew by 4.9 percent up from revised growth of 2.7 percent in 2019 but lower than targeted growth of 6.0 percent. This was mainly on account of favourable weather conditions in 2020 which improved production of food crops such as beans, rice, sorghum and millet and livestock and related products such as milk and meat. Figure 2.2 presents the performance of the Sector against targets for the period 2016-2020.

Figure 2.2: Agricultural Sector Performance (2016-2020)



Source: Economic Survey 2021

2.3.2 Industry Sector

In 2020, the Sector grew by 3.8 percent up from 3.4 percent in 2019 against a target of 7.5 percent (see Figure 2.3) with its contribution to the GDP estimated at 16.18 percent. The growth in the Sector was due to accelerated growth of 11.8 percent in the Construction Sector attributed to the continued investments in road infrastructure, expanded construction in housing and rehabilitation of the Metre Gauge Railway (MGR). Manufacturing Sector growth decelerated to -0.1 percent due to decline in production in key subsectors and had a contribution to GDP of 7.6 percent.

Figure 2.3: Industrial Sector Performance (2016-2020)

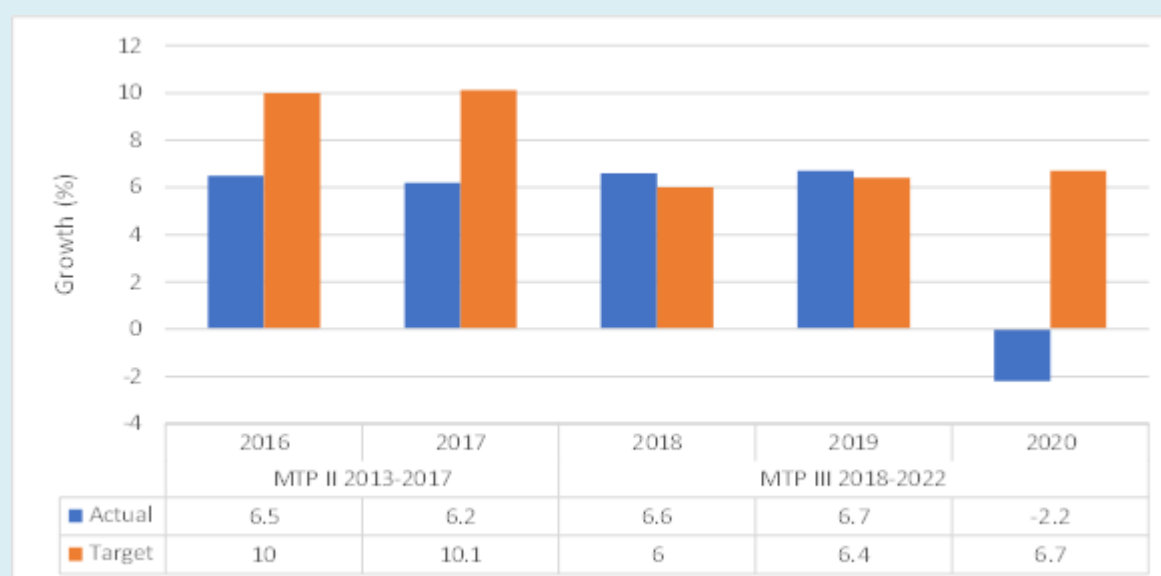


Source: Economic Survey 2021

2.3.3 Services Sector

In 2020, the Services Sector contracted by 2.2 percent against a target of 6.7 percent down from a growth of 6.7 percent in 2019. This was mainly attributed to the COVID-19 pandemic that significantly affected the accommodation and restaurant services, education, wholesale and retail services. However, the human health and social work, financial and insurance services and public administration performed well with a growth of 6.7 percent, 5.6 percent and 5.3 percent respectively. Figure 2.4 presents the Services Sector performance for the period 2016-2020.

Figure 2.4: SERVICE SECTOR PERFORMANCE (2016-2020)



Source: Economic Survey 2021



2.4 Performance of Key Macroeconomic Indicators

The four broad categories of key macroeconomic indicators are: National Accounts and Prices, Central Government Budget, Monetary Sector and External Sector. Table 2.2 presents the summary of key macroeconomic indicators performance for the period 2016/17-2020/21.

Table 2.2: KEY MACROECONOMIC INDICATORS PERFORMANCE (2016/17- 2020/21)

Macroeconomic Indicators	2016/2017		2017/2018		2018/2019		2019/2020		2020/21 ¹	
	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
National Accounts and Prices (% change)										
Real GDP Growth	9.6	5.5	10.6	5.4	5.9	6.0	6.3	2.3	6.8	2.9
Overall Inflation	5.0	8.1	5.0	5.3	5.0	5.2	5.0	5.2	5.0	5.4
Gross National Savings (as a % of GDP)	24.8	12.4	13.6	13.5	16.5	13.6	17.1	14.3	18.0	16.0
Investment (as a % of GDP)	30.0	17.5	30.9	18.6	21.9	17.7	22.6	19.2	22.8	20.5
Central Government Budget Indicators (% of GDP)										
Total Revenue	18.3	18.6	19.0	17.9	18.9	18.3	18.3	16.4	17.1	15.8
Total Expenditure and Net Lending	28.0	27.6	26.8	25.2	25.5	26.2	23.8	24.2	25.8	24.3
Overall Balance (including grants)	-5.1	-9.1	-7.2	-7.0	-6.0	-7.8	-4.3	-7.5	-3.3	-8.2
Total Debt	44.3	51.9	53.0	52.6	52.8	57.0	51	60.7	48.2	69.1
External Sector										
Current Accounts Incl. Official Transfers (% of GDP)	-7.6	-5.0	-6.1	-5.1	-5.4	-4.1	-5.5	-4.9	-4.8	-4.5
Reserves (months of this year's import cover)	5.8	6.5	6.7	6.9	6.8	6.4	6.9	6.3	7.0	5.8

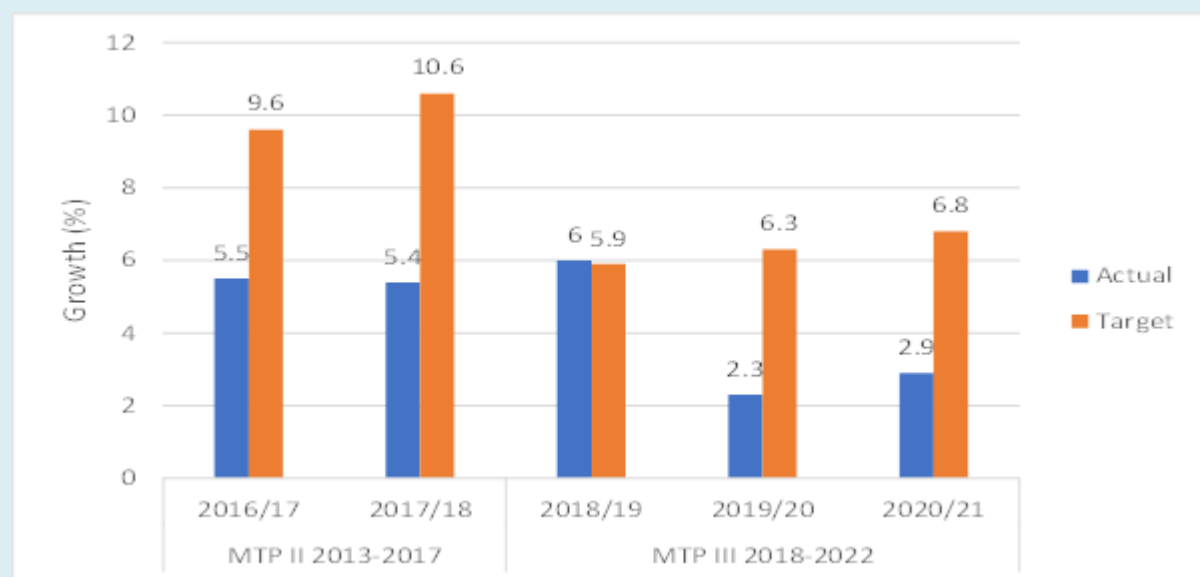
Source: Budget Review Outlook Paper 2021

I. National Accounts and Prices

During the review period, the economy registered a growth rate of 2.9 percent against a projected target of 6.8 percent. The low growth was as a result of the contraction of the economy in the first three quarters due to adverse effects of COVID-19 pandemic. Figure 2.5 presents the GDP growth rates for the period 2016/17 – 2020/21.

¹ BROP 2021

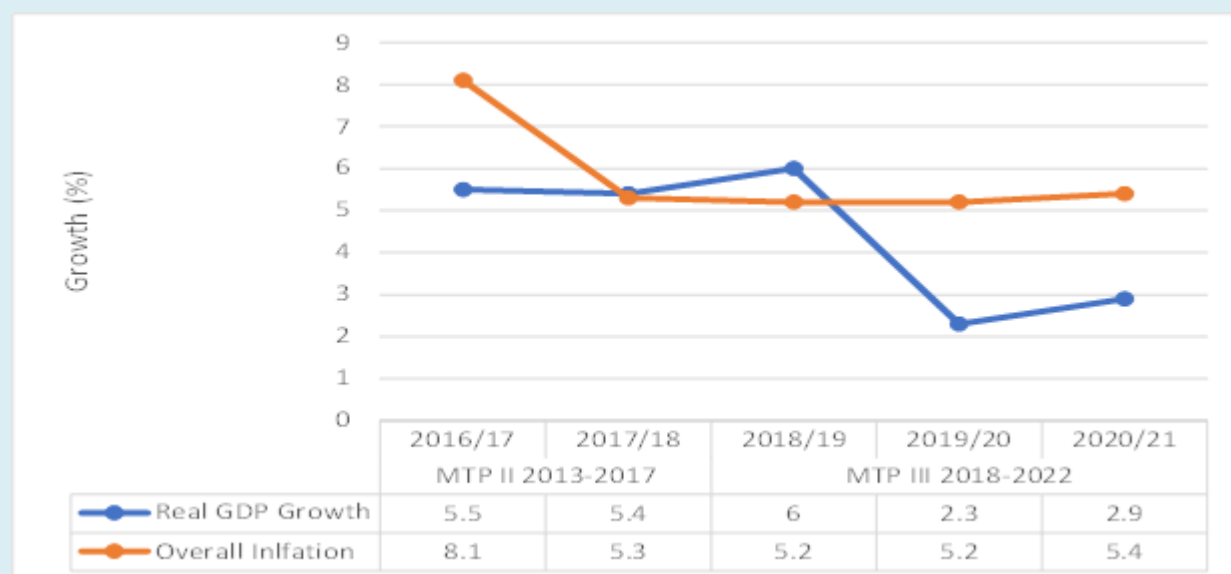
Figure 2.5: GDP GROWTH 2016/17-2020/21



Source: Budget Review Outlook Paper 2021

Annual inflation increased from 5.2 percent in 2019/20 to 5.4 percent in 2020/21 and was within the Central Bank of Kenya target range of 5+/-2.5 percent. The rise in inflation was mainly attributable to the effects of COVID-19 pandemic and moderate increase in food prices. The Central Bank of Kenya Monetary Policy Committee (MPC) revised the Central Bank Rate (CBR) on a regular basis over the period to keep inflation stable and within the range. Figure 2.6 presents the trend of GDP and inflation over the period 2016/17-2020/21.

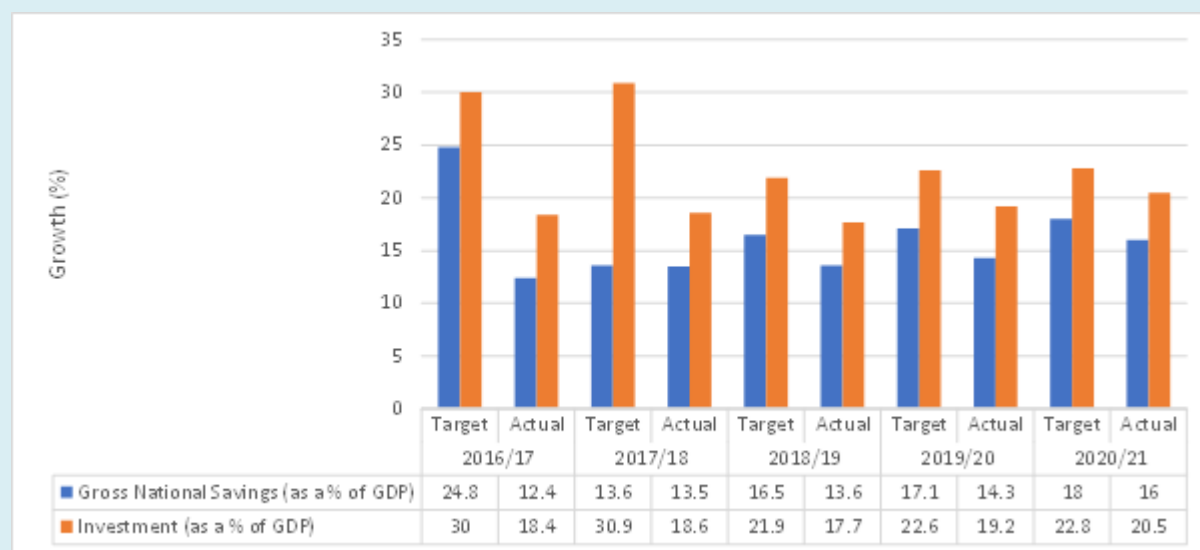
Figure 2.6: TREND ON GDP AND INFLATION 2016/17-2020/21



Source: Budget Review Outlook Paper 2021 and Economic Survey 2021

The Gross National Savings as a percentage of the GDP grew by 16 percent in 2020/21 FY down from 14.3 percent in 2019/20 FY and falling short of MTP III target of 18 percent. Investment as a percentage of GDP grew by 20.5 percent up from 19.2 percent in 2019/20 FY which was below the MTP III target of 22.8 percent as shown in Figure 2.7. The COVID-19 pandemic negatively affected the propensity to save by individuals as well as propensity to undertake domestic and foreign investment as household and corporate income declined.

Figure 2.7: GROSS NATIONAL SAVINGS AND INVESTMENT (2016/17-2020/21)



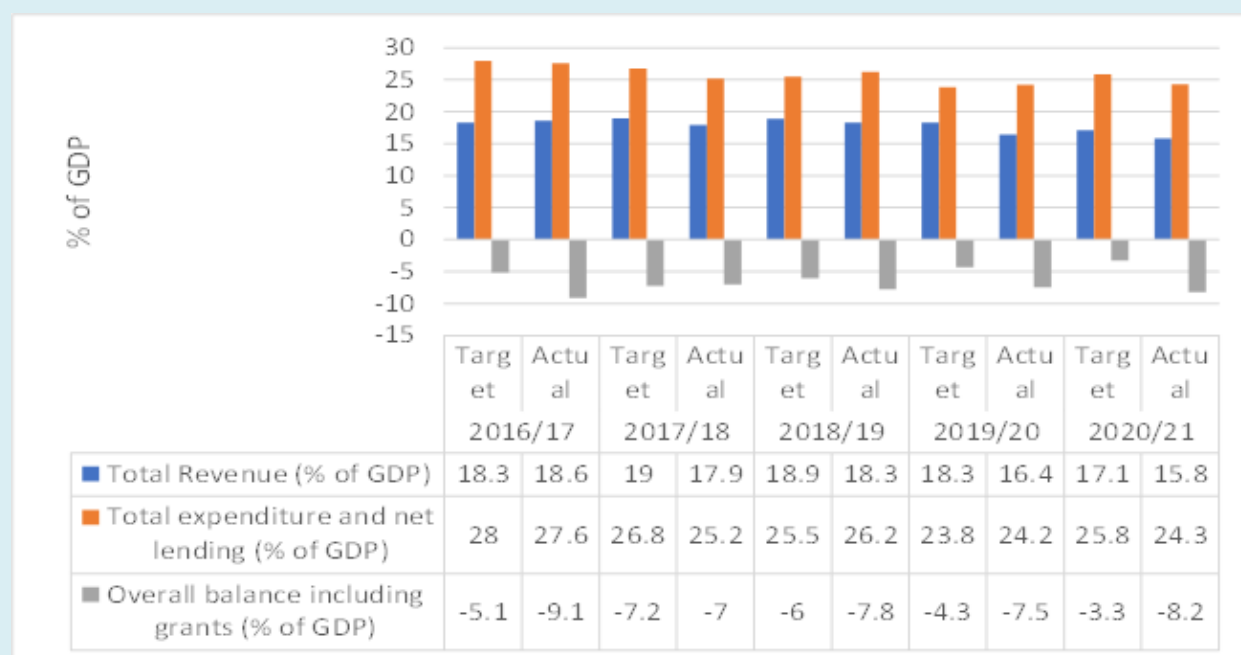
Source: Budget Review Outlook Paper 2021

II. Central Government Budget

During the review period, the total revenue collection as a percentage of GDP was 15.8 percent in against a target of 17.1 percent. The low revenue collection was largely due to low collections during the disruptions of economic activities and fiscal measures undertaken to contain the spread of COVID-19 pandemic and cushion Kenyans and firms against the negative impact of the pandemic. Some of the fiscal measures were: waiver of bank fees for individuals who move money between their bank accounts and mobile wallet, increased upper limit for mobile money transfer by SMEs to limit contact with physical notes; provision of 100 percent personal income tax relief for persons earning KSh. 24,000 per month; reduction of PAYE top band from 30 percent to 25 percent; reduction of VAT from 16 percent to 14 percent among other tax measures.

The total expenditure and net lending increased slightly from 24.2 percent to 24.3 percent against the target of 25.8 percent. This was as a result of increased budgetary requirement to finance mitigation measures of COVID-19 pandemic. The overall balance (including grants) expanded from -7.5 percent in the 2019/20 FY to -8.2 percent in the 2020/21 FY against a target of -3.3 percent. The low revenue collection coupled with high expenditure led to increase in the overall balance. Figure 2.8 presents the trend for total revenue, expenditure and overall balance over the period 2015/16-2019/20.

Figure 2.8: TOTAL REVENUE, TOTAL EXPENDITURE, OVERALL BALANCE (INCLUDING GRANTS) (2015/16-2019/20)



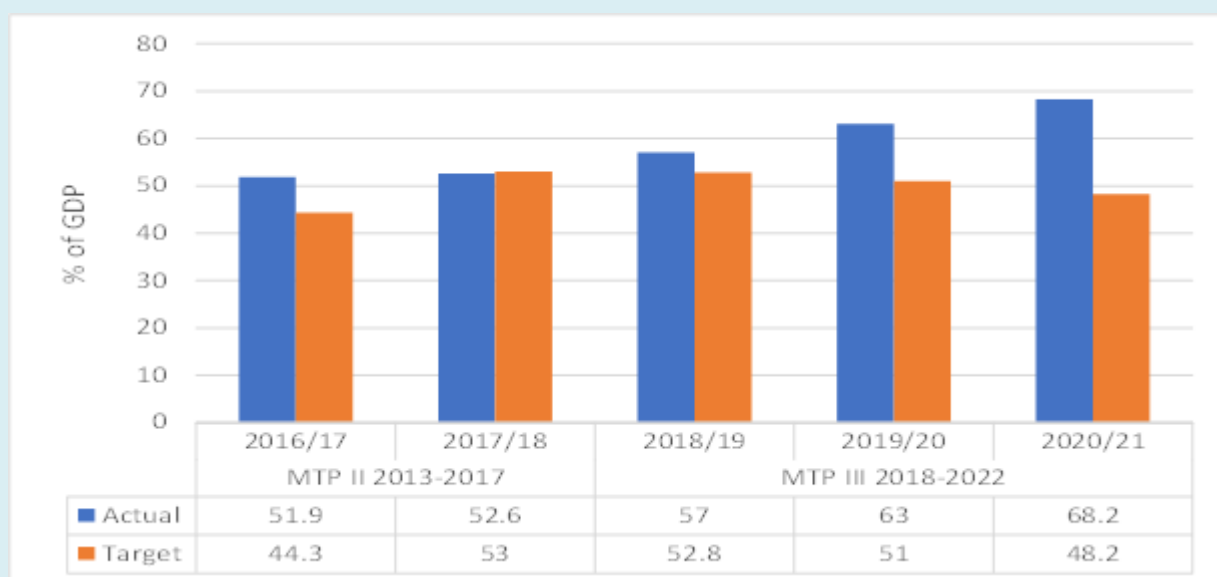
Source: Budget Review Outlook Paper 2021

Public Debt

Total debt as a percentage of GDP increased from 63 percent in 2019/20 FY to 68.2 percent in 2020/21 FY. The gross public debt increased from KSh. 6,694.2 Billion as at the end of June 2020 to KSh. 7,713.3 Billion as at 30th June, 2021. The gross public debt comprised 52.1 percent external debt and 47.9 percent domestic debt. The increase in the public debt is attributed to external loan disbursements; exchange rate fluctuations; and increase in the uptake of domestic debt during the period. The net public debt was KSh. 7,149.8 Billion by the end of the period under review.

During the review period, the National Government borrowed a total of KSh. 893.6 Billion comprising project loans of KSh. 168.7 Billion, programme loans of KSh. 168.6 Billion and domestic securities of KSh. 556.3 Billion. This borrowing was spent on project loans of KSh 168.7 Billion, external redemptions of KSh. 128.3 Billion and domestically funded development expenditures of KSh. 594.5 Billion (inclusive of 30 percent equitable share). As such, the Government spent 80.9 percent of borrowed resources on development and redemption of external loans and 19.1 percent on recurrent spending. The recurrent spending was occasioned by spending interventions to cushion the poor and vulnerable members of society as well as to contain the spread of COVID-19, including recruitment of additional health staff, additional support to health workers and acquisition of COVID- 19 vaccines.

Figure 2.9: TOTAL DEBT (2016/17-2020/21)



Source: Budget Policy Statement 2021, Budget Review Outlook Paper 2021

The debt sustainability indicators revealed that there was significant improvement in 2021. The Public and Publicly Guaranteed debt service to export ratio improved from 26.5 in 2020 to 19.1 in 2021 though still higher than the threshold of 15. Table 2.3 presents the status of Kenya's external debt sustainability indicators in 2020 and 2021.

Table 2.3: KENYA'S EXTERNAL DEBT SUSTAINABILITY

Indicators	Threshold for Kenya	2020	2021
PV of debt - to - GDP	40	28.7	28.7
PV of debt - to - Export ratio	180	288.3	255.8
PPG Debt service - to- Export	15	26.5	19.1
PPG Debt service - to- Revenue ratio	18	15.5	13.0

Source: IMF Country Report No. 21/72, April 2021

III. Money and Credit

Broad money supply, M3, grew by 6.3 percent down from a growth of 9.1 percent in 2019/20 FY. The improved growth in M3 was attributed to an increase in the Net Domestic Assets particularly improvement in net credit flows to the Government and the Private Sector. The private sector credit grew by 7.7 percent compared to a growth of 7.6 percent in 2019/20 FY. The slowdown was due to the adverse effects of the COVID-19 containment measures on economic activities. Strong credit

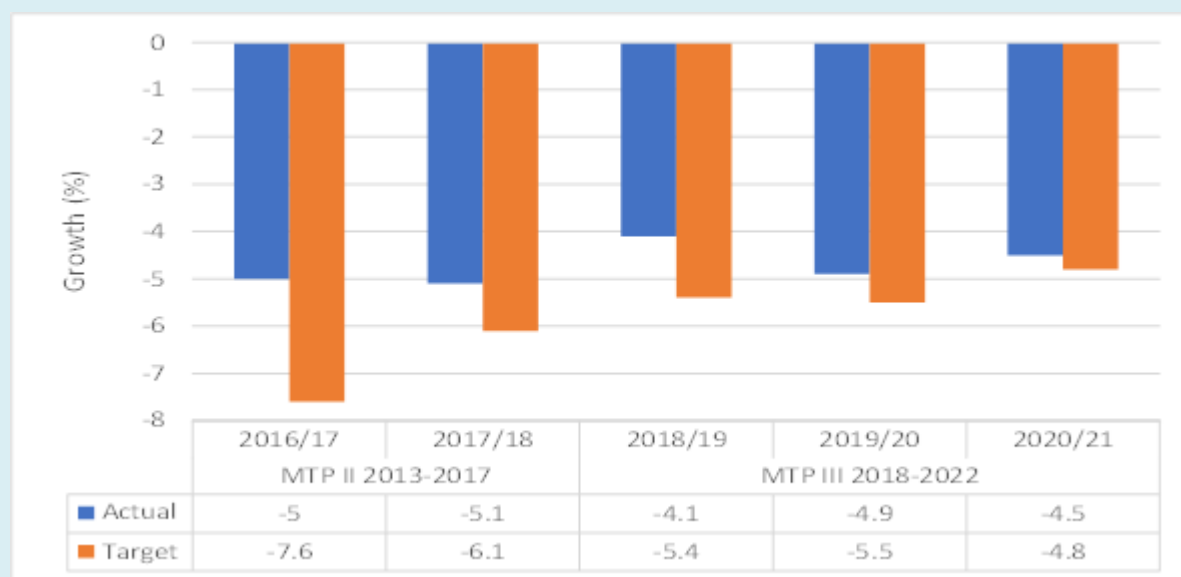
growth was mainly observed in consumer durables; transport and communication; business services; finance and insurance; real estate and agriculture.

Net Foreign Assets (NFA) of the banking system contracted by 12.0 percent, compared to a contraction of 5.7 percent in 2019/20 FY. The contraction in growth of the NFA was reflected in the contraction of the foreign currency reserves held by the Central Bank. The NFA of commercial banks also declined as a result of a decrease in the deposits abroad.

IV. External Sector

The overall balance of payments position improved to a surplus of US\$ 1,790 Million (2 percent of GDP) in the year to May 2021 from a surplus of US\$ 210.5 Million (0.2 percent of GDP) in the year to May 2020. This was mainly due to improvement in merchandise account and the capital account despite a decline in receipts from services. Current account deficit in May 2021 was at US\$ 5,361.8 Million (4.5 percent of GDP) compared to US\$ 5,137.5 Million (4.9 percent of GDP) in the year to May 2020. The current account balance was supported by an improvement in the merchandise account balance, the net primary income balance and the net secondary income balance. Figure 2.10 presents status of the current external balance as a percentage of GDP for the period 2016/17-2020/21 FY.

Figure 2.10: CURRENT EXTERNAL BALANCE AS A PERCENTAGE OF GDP (2016/17-2020/21)



Source: Budget Policy Statement 2020, Budget Review Outlook Paper 2021

The foreign exchange holdings remained strong at US\$ 14,741.4 Million in June 2021 from US\$ 13,680.9 Million in June 2020. The official foreign exchange reserves held by the Central Bank was at US\$ 9,957.4 Million (5.8 months of import cover) in June 2021 compared to US\$ 9,739.9 Million (6.3 months of import cover) in June 2020. This fulfilled the requirement to maintain reserves at a minimum of 4.0 months of imports cover to provide an adequate buffer against short term shocks in the foreign exchange market. Commercial banks holdings increased to US\$ 4,784.0 Million in June

2021 from US\$ 3,940.9 Million in June 2020. Figure 2.11 presents status of the international reserves for the period 2016/17 – 2020/21 FY.

Figure 2.11: INTERNATIONAL RESERVES (MONTHS OF IMPORT COVER) (2016/17-2020/21)



Source: Budget Policy Statement 2021, Budget Review Outlook Paper 2021

2.5 County Government fiscal performance

During the review period, county Governments were allocated a total of Ksh. 369.9 Billion as reflected in the County Allocation of Revenue Act (CARA), 2020. The allocation comprised of: Ksh. 316.5 Billion as equitable share of revenues raised nationally; Ksh. 13.7 Billion being conditional allocations that are part of the National Government's share of revenue; Ksh. 9.4 Billion from Roads Maintenance Fuel Levy Fund (RMLF) collected by the Kenya Roads Board (KRB), of which 15 percent is set aside for County roads; and Ksh. 30.2 Billion from proceeds of loans and grants from development partners. In addition, Ksh. 6.8 Billion was allocated to the Equalisation Fund in line with Article 204 of the Constitution.

Actual disbursements to the County Governments totalled Ksh. 399 Billion comprising: Ksh. 316.5 Billion as equitable share of revenue raised nationally as allocation for 2020/21 FY; Ksh. 29.7 Billion as equitable share of revenue raised nationally, accruing from the allocations for 2019/20 FY; Conditional allocations amounting to Ksh. 12.7 Billion derived from the National Government's share of revenue; Ksh. 9.4 Billion from the Roads Maintenance Levy Fund (RMLF); and; Proceeds from external loans and grants totalling Ksh. 26.1 Billion earmarked to supplement financing of devolved functions; and Ksh. 4.3 Billion through NHIF for free Maternal Health Care.

2.6 Structural Reforms

The COVID-19 crisis presented an opportunity to reprogram and rationalize the stalled stock of projects and enhance compliance with Public Investment Management (PIM) Guidelines' appraisal process for the new projects. In order to ensure efficiency of public investments, initiation of new



capital projects was frozen until the completion of the ongoing ones. The Public Investment Management Unit, responsible for ensuring that all capital projects are planned, appraised and evaluated before funds are finally committed in the budget, was established.

The Nairobi International Finance Centre (NIFC) Regulations were drafted. Once operational, the NIFC will create an improved business environment, making it easier and more attractive to conduct financial services and related activities in Kenya. This will increase flow of investments and private capital for financing development and create new financing options for Kenyan businesses.

2.7 Tax Reforms

Reforms/Administrative Measures to Enhance Revenue Collection

Revenue performance was enhanced through improvement of the tax policy and revenue administration measures. The policies and tax collection administrative reforms included: -

1. Introduction of a **minimum tax** payable at 1 percent of gross turnover; introduction of a digital services tax on income from services provided through a digital marketplace in Kenya at the rate of 1.5 percent on the gross transaction value; increase of income threshold qualifying for residential rental income tax; and abolishment of incentives under Home Ownership Savings Plans (HOSP).
2. To ensure timely implementation of these initiatives, the **Kenya Revenue Authority (KRA)** embarked on:
 - i. Registration drive for taxpayers in the Digital Service Tax and VAT Digital Marketplace Supply space and followed by compliance monitoring and enforcement;
 - ii. Follow up taxpayers for effective implementation of the Digital Service Tax;
 - iii. Review taxpayers seeking remission under the Voluntary Tax Disclosure Programme to ensure only the qualified benefit; and
 - iv. Enhanced recruitment of landlords, informal taxpayers, professionals, registered companies and individuals trading online.
3. Draft Sovereign Wealth Fund Bill and Policy that establishes a framework for managing revenues from minerals, oil and gas was developed and submitted to the AG for legal drafting.
4. The Finance Act, 2020 was enacted by Parliament.
5. Miscellaneous Fees and Levies Act 2020 harmonized the Import Declaration Fees rate at 1.5 percent for all the manufacturers including those under EAC Duty Remission Scheme.



CHAPTER THREE





CHAPTER THREE

FOUNDATIONS FOR NATIONAL TRANSFORMATION

3.0 Overview

Foundations for national transformation play a crucial role in realization of Kenya's long-term blueprint, Kenya Vision 2030, through its subsequent Medium-Term Plans (MTPs). They facilitate every sector of the economy and their successful implementation is critical to national development. These foundations encompass the following: Infrastructure (roads, rail network, sea ports, airports, pipeline and energy); Information Communication and Technology (ICT, Broadcasting and Telecommunications), Science Technology and Innovation (ST & I); Land Reforms; Labour and Employment; Public Sector Reforms; National Values and Ethics; Ending Drought Emergencies (EDE) and Security, Peace Building and Conflict Resolution.

3.1 Infrastructure

Infrastructure sector seeks to provide cost effective world-class infrastructure facilities and services to facilitate the achievement of the Kenya Vision 2030, the Big "Four" Agenda and the African Union (AU) Agenda 2063. It also immensely contributes to achieving the Sustainable Development Goal (SDG) 9 which aims at building resilient infrastructure, promoting inclusive and sustainable industrialization and fostering innovation. The Sector further contributes to SDG 11 that is aimed at making cities and human settlements inclusive, safe, resilient and sustainable. During the review period, various programmes and projects were implemented by the sub-sectors.

Roads Sub-sector

The Sub-sector is mandated to develop designs, construct, rehabilitate, manage and maintain safe, secure, effective road networks to reduce transport cost and journey times for enhanced socio-economic development. It also develops and monitors the implementation of national policies on transport aimed at creating a competitive, user-friendly and long-term sustainable transport infrastructure.

3.1.1 Roads Sub-Sector Performance

The Sub-sector implemented various road projects towards increasing movement of people, goods and services for improved socio-economic development. Table 3.1 presents a summary of achievements of the roads sub-sector for 2020/21 FY:

Table 3.1: ROADS SUB-SECTOR MTP III ACHIEVEMENTS FOR 2020/21 FY

MTP III Outcome	Outcome Indicator(s)	Achievement 2019/20 FY	Target 2020/21 FY	Achievement 2020/21FY	Remarks
Improved Accessibility through all	Kilometres of Classified Roads Maintained	28,847	50,000	37,361.89	There was an under achievement due to COVID-19 pandemic containment measures.



MTP III Outcome	Outcome Indicator(s)	Achievement 2019/20 FY	Target 2020/21 FY	Achievement 2020/21FY	Remarks
weather Roads	and Rehabilitated				
	Kilometres of Additional Classified Roads Constructed	1,489	2,000	1,553.97	Under achievement due to inadequate funding and slowed works as a result of restrictions on movements due to COVID-19 Pandemic.

Source: State Department for Infrastructure Annual Progress Report, 2020/21 FY

A total of 1,553.97Km of newly bituminized roads were constructed against the target of 2,000 kilometres, translating into 77.69 percent achievement while 37,322.89Km of roads were maintained/rehabilitated, an equivalent of 74.65 percent achievement. These results were an improvement from those achieved in the 2019/20 FY that had a total of 1,489Km of new roads constructed and 28,847Km maintained/rehabilitated. These achievements were as a result of implementation of several projects including flagship projects.

Flagship Projects

Flagship projects under the sub-sector contributed to enhanced domestic and regional connectivity, boosted rural productivity and reduced urban congestion. The following were the key achievements during the review period:

East Africa Road Network Project (EARNP)

The project aims to enhance efficiency of customs clearance processes for the EAC Partner States, facilitate trade and improve efficiency and reliability of transport and logistics services along the key corridors. A total of 108.62Km of roads comprising of 27.79Km of Isebania-Kisii, 66.68Km of Kisii-Ahero and 14.15Km of Kitale–Endebess – Suam road were constructed.

Kenya Transport Sector Support Project

The objective of the project is to increase the efficiency of road transport along the Northern Corridor and the Tanzania-Kenya-Sudan road corridor. A total of 5.8 Km of road comprising of 0.7Km of Kisumu Boys – Mamboleo and 5.1Km of Athi River –Machakos turn-off were constructed.

East Africa Regional Transport, Trade and Development Facilitation Project

The project aims to promote and facilitate regional economic integration between Kenya and South Sudan. A total of 36.61Km of the Eldoret to Nadapal road were constructed/upgraded. These include 10.6 Km of Kalobeiyei river- Nadapal, 6.73Km of Lokitaung junction –Kalobeyei River, 9.28Km of Lokitaung junction –Lodwar and 10Km of Lodwar –Loichangamatak road.



National Urban Transport Improvement Project (NUTRIP)

The objective of the project is to increase the efficiency of urban road transport. A total of 21.79Km of road was completed under capacity enhancement of A104 from James Gichuru to Mlolongo.



Construction of Nairobi Express-way in progress

Northern Kenya Transport Improvement Project (NETIP)

The project objective is to enhance the efficiency and effectiveness of the Transport Sector by improving the link between Kenya, Somalia and Ethiopia through the construction of various roads between Isiolo and Mandera. There was improvement of road section between El Wak- Wargadud , Wargadud- Bambo and Bambo -Rhamu.

Decongestion of Cities, Urban Areas and Municipalities

This project aims at easing congestion, shortening commuting time and reducing cost as well as cutting carbon dioxide emissions in cities, urban areas and municipalities through provision of alternative mobility means for motorists. The following were achieved:

- a) Rehabilitation and Upgrading of Eastlands roads (Phase II) -2.5Km;
- b) Dualling of Ngong Road (Dagoretti Corner - Karen Roundabout Section) - 10.70Km;
- c) Construction of Nyahururu Bypass - 7.6Km;
- d) Construction of Kangundo Road - Greater Eastern Bypass Link Road- 8.5Km;
- e) Construction of Kahawa Sukari Estate Access roads - 2.3Km;
- f) Construction of Thika Bypass -9.7Km;
- g) Construction of Kiogoro - Gesure - Itibo - Masongo Road- 15.5Km;
- h) Upgrading to Bitumen Standards of Mandera Town roads- 7Km;
- i) Construction of Hunters - Githurai Missing Link Road- 2.64Km;
- j) Upgrading of Lucky Summer- Gituamba-Kasarani Mwiki Road- 3Km;
- k) Construction to Bitumen standard of Rhino Park & other access roads - 5.2Km;



- l) Upgrading of roads in Garissa County Headquarter - 1.25Km;
- m) Othaya Town roads - 3.5Km;
- n) Rehabilitation of Innercore Estate roads- 0.5Km;
- o) Rehabilitation of Thika Town roads – 7.5Km;
- p) Improvement of Mandera Town roads- 2Km;
- q) Improvement of Nairobi roads lot 4- 2.5Km; and
- r) Rehabilitation of Kasarani - Mwiki Road- 1.7Km

Road 10,000 Programme (Low Volume Seal Roads (LVSr))

The objective of the programme is opening up the rural parts of Kenya through increased accessibility and mobility thus boosting socio-economic activities, security and enhancing socio-economic integration between and among Counties. A total of 1,044.43Km of roads were constructed to bitumen standards across the Country.

Road 2,000 Programme (Low Volume Seal Roads (LVSr))

The strategy is designed to facilitate rural accessibility and mobility with an objective of spurring rural productivity thus creating wealth and reducing poverty through promotion of employment and income earnings. A total of 31.8Km of roads were improved.

Other Programmes/Projects

During the review period, the sub-sector implemented other programmes all geared towards achieving improved accessibility. These programmes include:

a) Maintenance of Roads

A total of 565.83Km of unclassified roads were put under periodic maintenance, 59,576.87Km under routine maintenance and 9Km of rural roads improved to gravel surface dressing.

b) Public Private Partnership / Annuity Programme

The programme aims at long term engagements with the private sector in financing, construction and management of roads. The following was achieved:

- i. Construction of 70Km of Ngong – Kiserian – Isinya and Kajiado – Imaroro Road completed;
- ii. Illasit – Njukini – Taveta Road (Lot 32)- Letter of support is being awaited from the Attorney General to facilitate Financial Close;
- iii. Modogashe – Habaswein – Wajir and Rhamu – Mandera (Lot 3) - Letter of support is being awaited from the Attorney General. Financial Close awaiting Letter of Support;
- iv. Nairobi – Nakuru – Mau Summit Road - Commercial agreement for Nairobi – Nakuru – Mau Summit was signed in September 2020;
- v. Nairobi Expressway- Works were at 38 percent. Project is scheduled to be completed in December, 2021.

c) Materials Testing and Research Development



The objective of the programme is to facilitate research and updates on the specifications for road and bridge works for effective implementation and quality control of projects, to promote emerging construction materials and recommend new techniques for roads, bridges, pavements and transport engineering planning, design, construction and maintenance. The research work play a pivotal role in the development of road infrastructure in the Country. The following were achieved:

- i. Verification trials on Hydraulic Road Binders (HRBs)- Bamburi HRB, Savannah HRB, Fly-ash, RBI (ANSS) and other HRBs from ongoing projects;
- ii. Baseline Condition Survey of Dongo Kundu Road Phase 1;
- iii. Baseline Condition Survey of Kamatira – Cheptongei (D327/D329);
- iv. Performance Monitoring of Road Safety on Mombasa - Athi River Road and Nairobi - Moyale Road;
- v. Performance Monitoring on construction to Bitumen Standard of Waiyaki Way – Red Hill Bypass and Meru Bypass; and
- vi. Geotechnical investigations along Mai Mahiu – Narok Road.

d) Lease Hire of Plant and Machinery

The Sub-sector continued with the lease/hire of maintenance plants and machinery that promoted construction and maintenance of roads using the emerging technologies. This generated revenue amounting to KSh 575.27 Million on hire of machinery.

e) Coastline Infrastructure and Pedestrian Access

To achieve accessibility into and out of waters and protect land and property from sea wave erosion, one jetty was constructed and another one rehabilitated. The other jetties which were ongoing at advanced levels of completion were: New Mokowe Jetty at 68 percent and Mtangawanda Jetty at 96 percent. Further, 12 out of 24 footbridges were completed to facilitate safe crossing of rivers, streams and for easy accessibility to areas with difficult terrain.

Rail Transport Sub-sector

Rail transport is one of the safest and most convenient means of transport preferred for transporting bulk goods over long distances. The Sub-sector's main objective is to develop and manage efficient and reliable railway transport systems.

3.1.2 Rail Transport Sub-Sector Performance

The Sub sector braved the effects of COVID-19 pandemic to record remarkable performance during the review period. The achievements for the rail transport sub-sector for 2020/21 FY are as outlined in Table 3.2.

**Table 3.2: RAIL TRANSPORT SUB-SECTOR MTP III ACHIEVEMENTS FOR 2020/21 FY**

MTP Outcome	III Outcome Indicator(s)	Achievement 2019/20 FY	Target 2020/21FY	Achievement 2020/21 FY	Remarks
Improved access to Rail Services	Rail passengers handled per year ('000)	2,830	3,582	4,490	Introduction of night trips between Mombasa – Nairobi route on Madaraka Express and commencement of Passenger service along Nairobi – Nanyuki route via MGR led to the overachievement.
	Rail cargo handle per year ('000 tonnes)	4,678	6,478	5,857	End of the promotional freight charges for Naivasha ICD bound cargo in August 2020 disrupted flow of cargo

Source: State Department for Transport Annual Progress Report, 2020/21 FY

The sub-sector handled 4,490,584 passengers against a target of 3,582,000 passengers per year translating to 125 percent achievement largely attributed to Madaraka Express and Nairobi Commuter Rail Services. The rail cargo handled was 5,857,324 tonnes against a target of 6, 478,000 tonnes, an achievement of 90.41 percent.

Flagship projects

During the review period, the following flagship projects were implemented:

Construction of Naivasha ICD yard and enabling infrastructure: The project aims at enhancing efficiency in transshipment of freight to Western Kenya and neighbouring countries of Uganda, Rwanda, Burundi, South Sudan and DRC. The Project achieved a completion level of 90 percent.

Nairobi Commuter Rail Rehabilitation Project: The goal of the project is to improve efficiency in Nairobi Commuter Rail Services. The Project involved refurbishment of the Nairobi Central station, acquisition of 11 DMUs and rehabilitation of 168.6 Km of track. The Project was at 95 percent completion level.

Construction of ICD Naivasha - MGR Longonot link and Rehabilitation of 465 Km Longonot-Malaba line: The project seeks to enhance ease of movement of goods destined to Western Kenya and the East African Region. Project completion level was 66.25 percent.

Revitalization of Nakuru - Kisumu MGR branch line: The project aims at effectively supplying Kisumu Port with freight to be transported across the entire great lakes' region through Lake Victoria, reduce congestion along the Northern Corridor and stimulate trade in the lakeside city of Kisumu and its environs. The Project was 66.53 percent complete.

Air Transport Sub-sector



This Sub-sector aims at developing world class aviation infrastructure for improved access to aviation services. The expansion, modernization and management of the aviation sub sector has enhanced air transport safety, security and connectivity across the Country.

3.1.3 Air Transport Sub-Sector Performance

The achievements realized by the Air Transport Sub-sector for 2020/21 FY is as presented in table 3.3.

TABLE 3.3: AIR TRANSPORT SUB-SECTOR MTP III ACHIEVEMENTS FOR 2020/21 FY

MTP III Outcome	Outcome Indicator(s)	Achievement 2019/20 FY	Target 2020/21 FY	Achievement 2020/21 FY	Remarks
Increased access to Aviation Services	Number of Air Passengers handled (International & Domestic) per year (Millions)	9	14	4.47	Impact of COVID-19
	Volume of Air cargo handled per year (Total freight) (Millions Kgs)	364.6	417.4	357	Impact of COVID-19 pandemic

Source: State Department for Transport Annual Progress Report, 2020/21 FY

The decline was attributed to domestic and international travel restrictions to contain the spread of COVID-19 pandemic. However, measures were put in place to sustain the Sector including passenger tracking forms, social distancing, covid certificates among others.

Flagship Projects

The Subsector implemented the following flagship projects to support the aviation facilities modernization programme.

Isiolo Airport: Construction of cargo shed and associated accessories which was 40 percent complete.

Moi International Airport Pavement: The scope encompassed pavement rehabilitation to address sinkholes, improve Airfield Ground Lighting and Drainage System and construction of rainwater harvesting system with a capacity of 9.5 Million litres per annum with overall completion level of 91.3 percent.

Expansion of JKIA: Upgrading of the apron taxi-lanes at Terminal 1A from the current asphalt to rigid concrete was 80 percent complete. Terminal 1B and 1C were refurbished and organized to centralize secondary security screening, increase seating capacity and retail space for overall enhanced customer experience and retail value and were at 44 percent completion level.

Expansion of the Malindi International Airport: Works on the apron, fence and car park were complete. Land Compensation Resettlement Action Plan Report was also complete and awaiting funding to facilitate extension of the runway and associated works.



Rehabilitation and maintenance of Air strips and Airports Countrywide: The project entailed rehabilitation of the following airstrips:

- a) **Suneka:** The runway rehabilitation works were 55 percent complete;
- b) **Kakamega:** The apron, runway and fencing works were 82 percent complete;
- c) **Migori:** The fencing, apron, and runway works were at 82 percent complete;
- d) **Kitale:** The reconstruction of the runway, extension of apron and complete security fence were 61 percent complete;
- e) **Nanyuki:** The fencing, apron, and runway works were 28.8 percent complete.

Maritime sub-sector

The Sub-sector continued to play a significant role in the social and economic development of Kenya including the facilitation of over 95 percent of Kenya's international Seaborne trade. It aims at developing and managing an efficient and safe marine transport system in the Country. The Sub-sector comprises Kenya's territorial waters, inland waters and all maritime related activities including marine based resources.

3.1.4 Maritime Sub-Sector Performance

The achievements for the Maritime Sub-sector for 2020/21 FY are as outlined in Table 3.4.

**Table 3.4: MARITIME MTP III ACHIEVEMENT FOR 2020/21 FY**

MTP Outcome	III Outcome Indicator(s)	Achievement 2019/20 FY	Target 2020/21 FY	Achievement 2020/21 FY	Remarks
Improved access to Shipping and Maritime services.	Cargo throughput in Dead Weight Tonnes (DWT) per year (Million tonnes)	33.64	35.90	36.05	
	Containers handled in Twenty-foot Equivalent Units (TEUs)	1.384	1.432	1.459	

Source: State Department for Transport Annual Progress Report, 2020/21 FY

The total cargo throughput increased from 33.4 Million DWT handled in 2019/20 FY to 36.05 Million DWT handled in 2020/21FY. This represents a year-on-year growth of 7.4 percent. Additionally, container traffic grew by 5.14 percent growth from 1.384 Million TEUs handled in 2019/20 FY to 1.459 Million TEUs handled in 2020/21 FY. The growth was attributed to the recovery of the Kenyan economy and the region after the unsteady period caused by the COVID-19 pandemic.

Flagship projects

The Subsector implemented the following flagship projects to support the port facilities modernization programme.

Mombasa Port Development Phase II (MPDP II) Second Container Terminal Phase 1 and 2: Phase 1 was completed and involved the construction of two berths (No. 20 and 21) for Panamax and Post-Panamax container vessels of 20,000 tons and 60,000 tons respectively, and a small berth for pilot, mooring and tug boats and an additional capacity of 450,000 TEUs. Phase 2 involves construction of berth No. 22 (250 meters and 15 meters deep). The Project is expected to add an additional annual capacity of 450,000 TEUs to the Port of Mombasa. Phase II was 80.3 percent complete.

Relocation of Kipevu Oil Terminal (KOT): The Project involved relocation of Kipevu Oil Terminal for safety reasons from its present location between berth 19 and 20 towards the far eastern side of the Tsunza headland opposite berth 16. The project was 89.6 percent complete.

Lamu Port (Construction of the first three berths): The Project involves construction of the first three berths (container, general and bulk) and corresponding storage yard with capacity of 1.2M TEUs and 13.5M DWT. The 1st berth has been completed, commissioned and operationalized. The construction of the 2nd and 3rd berths had progressed to 91.6 percent.

3.1.5 Policy, Legal and Institutional Reforms

The following policy and legal frameworks were developed or reviewed during the review period:



- i. The Railway Bill, 2020;
- ii. Traffic (Amendment) Bill, 2021;
- iii. Traffic (Commercial Vehicles Service) Regulations 2021;
- iv. Traffic (Children Safety) Regulations, 2021;
- v. Traffic (Public Service Vehicle) Amendment Regulations, 2021;
- vi. National Transport & Safety Authority (Motor Vehicle Inspection) Regulations, 2021
- vii. Civil Aviation (Aircraft Accident Investigation) (Amendment), 2021;
- viii. The Civil Aviation (Security) Regulations, 2020;
- ix. Amended Traffic (Registration Plates) (Amendment) Rules, 2021;
- x. The Traffic (Transport Network Companies) Rules, 2020; and
- xi. The draft Maritime Education Training (MET) Policy, 2020.

Energy Sub-sector

The Sub-sector plays a key role in ensuring rapid and sustainable development in the Country. Development of renewable energy sources, coal exploration and development, constructing energy infrastructure and building administrative capacity are priority interventions of the MTP III.

3.1.6 Energy Sub-Sector Performance

The Sub-sector's achievements for the 2020/21 FY are as outlined in Table 3.5.

Table 3.5: ENERGY SUB-SECTOR MTP III ACHIEVEMENT FOR 2020/21 FY

MTP III Outcome	Outcome Indicator (s)	Achievement 2019/20 FY	Target 2020/21 FY	Achievement 2020/21 FY	Remarks
Increased Power Generation	National Power Generation Capacity (MW)	2,791.2	3876	2,977.9	The sub-sector rationalized the commercial operation dates of some power plants to ensure demand and supply balance is maintained to avoid excess power.
	Proportion of National power generation capacity from clean sources (MW)	1,960	2787	-	
Improved Energy Efficiency	Number of New Companies adopting energy efficiency and conservation practices	-	50	-	There is no data for this indicator. The energy efficiency and conservation strategy to provide better outcome indicators in MTP IV has been developed.
Universal Connectivity	Number of Households Connected to Electricity	7,576,146	8,763,921	8,283,461	Reduced budget for the last mile connectivity programme affected the achievement of the planned target.

Source: Ministry of Energy Annual Progress Report, 2020/21 FY



The power generation capacity increased from 2,791.2 MW in 2019/20 FY to 2,977.9MW in 2020/21 FY out of which 2,225.7MW was renewable energy. The planned target of 3876MW was not achieved due to the rationalisation of commercial operation dates of the planned power plants to ensure demand and supply balance and avoid excess power. A total of 707,315 electricity connections were realized, against an annual target of 500,000 new connections. This brought the cumulative electricity connections to 8,283,461 by the end of the review period.

Flagship projects

The following flagship projects were implemented during the review period:

Increase Power Generation: The objective is to increase cost-effective power generation to meet the projected demand to support socio-economic development. 0.5MW (Kianthumbi Small Hydro power plant) was commissioned and Olkaria I Unit 6 (83.3MW) project was at 86 percent completion level.



Olkaria I Unit 6 Geothermal Power Plant

Geothermal exploration and development: The objective is to undertake geothermal resource assessment including exploration, appraisal and production drilling in prospective areas. Drilling of Two (2) geothermal wells was completed in Bogoria-Silali geothermal field consequently increasing the cumulative steam equivalent available to 193.46 MWe. Drilling of two wells (PW04, KW03) at Baringo- Silali continued and another one (MW35) at Menengai was initiated.



Menengai fields



Bogoria-Silali Wells

Power Transmission: The Project aims at increasing the nationwide access to electricity by upgrading and expansion of the national power transmission network. A total of 368Km of transmission lines and associated sub-stations were completed against a total target of 505.4 Km. The 368 Km comprised of 269 Km of the 290Km 400/220KV Olkaria-Lessos-Kisumu transmission line; and 99Km (53Km of Lessons-Kabarnet, 28Km of Olkaria- Narok, 4Km of Kitui-Wote and 14Km of Nanyuki-Rumuruti) of the 431Km 132KV Power Transmission System Improvement Projects.

Progress of other transmission lines were as follows;

- a) 96Km 132KV Nanyuki-Isiolo-Meru Transmission Line and associated sub-stations from 93 percent to 97 percent.
- b) 247Km 220KV Garsen - Hola - Garissa Transmission Line and associated sub-stations from 20 percent to 50 percent.
- c) 148Km 220KV Kamburu-Embu--Thika Transmission Line constructed and associated sub-stations from 10percent to 50percent.
- d) 210Km 132KV Kenya Power Transmission Expansion Project (KPTEP) constructed and associated sub-stations from 15 percent to 55 percent.
- e) 96Km 400KV Kenya-Tanzania line and associated substation from 62.4 percent to 90 percent.
- f) 61Km 132KV Rabai - Bamburi - Kilifi transmission line and associated substation from 10 percent to 50 percent.

Distribution Network Expansion and Improvement: During the review period, 707,315 new customers were connected; 510Km of distribution lines constructed; Six (6) new substations (Thika, Mikinduri, Kisii East, Kahurura, Nkuene, and Kaloleni) were constructed while five (Mtondia, Chavakali, litein, Njoro, Sibembe and Matuu, Ortum, Kaloleni and Muirungi 33/11KV substations) were upgraded; 20,150 street lighting points were installed across the Country; 135 transformers were installed Countrywide; 160 public facilities were connected to electricity; and 345 previously installed Solar PV systems were maintained.

In addition, the Sub sector undertook maintenance of the Medium Voltage (MV) and Low Voltage (LV) networks and secondary substations to reduce outages and ensure sustained high quality power



supply. The cumulative Customer Average Interruption Duration Index (CAIDI) for the review period was 4.03 hours, while the cumulative System Average Interruption Frequency Index (SAIFI) was 29.29.

Alternative Energy Sources and Technologies: During the review period, 42 Public institutions were connected with solar photovoltaic (PV) in off-grid areas; 89 solar PV systems were maintained and commissioned increasing the total number of functional solar PV systems from 1354 to 1443; 13 Solar/wind water pumping systems were completed; One Water Desalination System was completed and commissioned; 105,000 tree seedlings were planted on 131 hectares of land along Hydropower dams and water catchment areas which include Endebess and South Imenti. 110 woodlots were also established; 500 Ha of hydro dam sites were maintained; One Community Small Hydro Power project was maintained; 135 wind masts and data loggers were maintained of which 19 were rehabilitated; Two Institutional biogas plants were constructed in Nyeri and Laikipia Counties; 182 domestic biogas digesters were constructed in 13 counties i.e. Murang'a, Bungoma, Kajiado, Vihiga, Kisumu, Nakuru, Laikipia, Nyandarua, Embu, Trans Nzoia, Uasin Gishu, Kericho, and Bomet; Three efficient charcoal kilns were constructed in Mirangine, Kitui and Mtwapa Energy Centres.

Further, a total of six Renewable Energy Technology (RET) demonstrations were conducted; 52,346 standalone solar home systems installed under the Kenya Off-Grid Solar Access Project (KOSAP); and 3651 clean cooking units disseminated.

Nuclear Power Development Programme: During the review period, Two potential sites for the Nuclear power plant were identified in Kilifi and Kwale Counties; 120 people were trained through short courses and expert missions from various stakeholder institutions on the Nuclear Power Programme; Kenya Nuclear Power Human Resource (NPHR) strategy was developed; A 5 year strategic plan for the Nuclear Power and Energy Agency (NuPEA) for the period 2020-2025 was developed; A feasibility study and preliminary site studies for the National Research Reactor program was conducted; Strategic Environmental Assessment of Kenya's Nuclear Power Programme was undertaken; and four key Nuclear Safety Conventions were identified and subjected to stakeholders and public participation.

3.1.7 Policy, Legal and Institutional Reforms

To strengthen the policy, legal and institutional framework in the Energy Sector, a total of 30 draft regulations to operationalize the Energy Act, 2019 were reviewed/developed and submitted to Energy and Petroleum Regulatory Authority (EPRA).

3.1.8 Implementation Challenges

The sector faced the following challenges during the review period:

- i. Escalating costs of wayleave and land acquisitions for projects;
- ii. Vandalism of infrastructure facilities creating additional cost for maintenance and restoration.
- iii. Inadequate technical capacity in areas such as Civil Aviation Inspection, Air Accident Investigations among others.
- iv. Encroachment of land reserves for infrastructure projects.



3.1.9 Recommendations

- Government land and infrastructure facilities such as power infrastructure projects including substations and strategic points along the major transmission lines and networks should be safeguarded to minimize security threats;
- Sources of funding should be diversified to include Public Private Partnerships (PPPs) and collaborative funding approaches to help bridge the projects financing gap;
- More partners and collaborators in maritime, Civil Aviation Inspection, Air Accident Investigation Training, education and certification should be sought to enhance capacity.

3.2 Information Communications and Technology (ICT)

The sector comprises of two sub sectors namely: ICT & Innovation and Broadcasting & Telecommunication.

3.2.1 ICT Sector Performance

During the review period the sector's key achievements are as summarized in Table 3.6.

Table 3.6: ICT SECTOR MTP III ACHIEVEMENT FOR 2020/21 FY

MTP III Outcome	Outcome Indicator(s)	Achievement 2019/20 FY	Target 2020/21 FY	Achievement 2020/21 FY	Remarks
Universal Access to Information	Mobile Network Coverage (%)	96	97	97	Increased investment by industry players contributed to the achievement of the target.
	Proportion of the population with Internet Connectivity (%)	83.38	85	92.98	Investment in expanding the national fibre optic infrastructure and increased investment by industry players led to increased internet connectivity and accessibility.
	Proportion of the Country covered by digital TV Signal (%)	89.3	90	91.2	Expansion of SIGNET public Digital Infrastructure and upgrading of the Digital Headend platform enabling accommodation of more TV channels.
	Proportion of Households with access to Radio (%)	76.56	98	76.56	Figures based on KNBS 2019 Census figures.
	Bits per second per capita	59,969.34	22,000	62,000	The growth is due to regular upgrades of SEACOM's network to enhance their capacity.

Source: State Department for Information and Communication Technology Annual Progress Report, 2020/21 FY



The total utilized bandwidth capacity increased by 7.3 percent to 4,299.26 Gbps out of which, 2,611.47 Gbps were used in the Country and 1,687.79 Gbps sold outside the Country. There was an increase in bits per second per capita by 3.3 percent from that reported in the 2019/20 FY. The proportion of the population with internet connectivity increased from 83.38 percent in the 2019/20 FY to 92.98 percent in the period under review, translating to 11.5 percent increase. The total number of Internet/data subscriptions stood at 43.7 Million.

A total of 66 sub locations were connected to the basic 2G basic voice infrastructure. National digital TV coverage increased from 89.3 percent to 91.2 percent thus improving households' access to digital broadcast signals. Migration of public broadcast on KBC from Medium Wave to FM radio transmission was at 95 percent completion.

Flagship projects

During the review period, the following flagship projects were undertaken:

National Optic Fibre Backbone Infrastructure (NOFBI) Construction: A total 610 Government buildings were connected to the NOFBI under the Last Mile County Connectivity Project. 200 Km of the 600Km Fibre Optic Cable from Eldoret to Nadapal were laid.



National Optic Fibre Backbone Infrastructure-NOFBI IIE (Nakuru-Subukia)

East Africa Trade Facilitation project (EATFP): 200 Km of fibre Optic network were rehabilitated;

Universal Access to ICT Programme: 500 schools and tertiary institutions were connected to broadband under the Broadband Connectivity to Schools. Further, 66 areas considered to be underserved/unserved were provided with 2G basic infrastructure.

National Information Security Programme: 50 percent of the Cyber Security Infrastructure was developed.



3.2.2 Policy, Legal and Institutional Reforms

- i. Office for Data Protection and Privacy was established and operationalised pursuant to the Data Protection Act, 2019;
- ii. Data Protection regulations, 2021 were developed; and
- iii. Draft Digital Economy Strategy, 2020 were developed.

3.2.3 Implementation Challenges

Vandalism of ICT infrastructure affected provision of ICT services and created additional cost for maintenance and restoration.

3.2.4 Lessons Learnt

The advancement in the Country's ICT capacity played a key role in mitigating the effects of the COVID-19 pandemic.

3.2.5 Recommendations

- i. Increase surveillance on ICT Infrastructure
- ii. Enhance community education and sensitization on protection of ICT infrastructure.

3.3 Science, Technology and Innovation (ST&I)

Investment in ST&I contributes to transformation of the Country into a middle-income economy as envisaged in the Kenya Vision 2030. This depends on high productivity enabled through quality university education, research, science, technology and education.

3.3.1 ST&I Sector Performance

During the review period, the Sector implemented various programmes and projects towards increasing quality university education, research and ST&I. Overall, the Sector achieved good performance across the outcome indicators. Table 3.7 presents the achievements in the Sector for the review period.



Table 3.7: SCIENCE, TECHNOLOGY AND INNOVATION MTP III ACHIEVEMENTS FOR 2020/21 FY

MTP Outcome	III Outcome Indicator(s)	Achievement 2019/20 FY	Target 2020/21 FY	Achievement 2020/21 FY	Remarks
Improved Technological Innovation	Share of allocation to Research and Development as a % of GDP	0.8	1.3	0.98	Budget rationalization caused by COVID-19 pandemic.
	Global Competitiveness Index (Rank)	95	88	95	Effects of COVID-19 pandemic negatively affected the collection of data since the innovation hubs and companies were closed.
	Global Innovation Index (Rank)	77	38	86	No technology transfer offices have been set up to enable commercialization. Innovation policy has not yet been operationalized.

Source: State Department for University Education and Research Annual Progress Report, 2020/21 FY

Kenya slightly dropped its rank among the world's most innovative economies from 77 in 2019 to 86 in 2020 against a target of 38. The percentage of GDP attributed to research and development increased from 0.8 in the 2019/2020 FY to 0.98 in the 2020/2021 FY against a planned target of 1.3.

Flagship Projects

The following programmes were undertaken during the review period:

Centre of Excellence in Universities and Research Improved: This project is a joint partnership with the World Bank spanning 5 years (2016-2022) and supporting three Centers of Excellence. The centres established include: Center of Excellence in Sustainable Agriculture and Agribusiness Management (CESAAM) at Egerton University; Center of Excellence in Sustainable Use of Insects for Food and Feed (INSEFOODS) at Jaramogi Oginga Odinga University of Science and Technology (JOOUST); and Center of Excellence in Phytochemicals, Textile and Renewable Energy (PTRE) at Moi University.

Science and Technology Parks: Designs for two national science and technology parks were finalized at Konza Technopolis and Dedan Kimathi University of Science and Technology. Construction works also commenced for the National S&T Parks at Dedan Kimathi University of Science and Technology. Overall, achievement was 10 percent against a target of 60 percent, due to redesigning of the foundation.



3.3.2 Policy, Legal and Institutional Reforms

The Sustainable Financing for University Education, Research Science and Technology Sustainable Finance Policy was drafted.

3.3.3 Implementation Challenges

- i. Inadequate research and innovation infrastructure in most public research institutions and universities;
- ii. Insufficient qualified staff to teach Science Technology Engineering and Mathematics (STEM) related programs;

3.3.4 Lessons Learnt

Enhancing commercialization of Research and Innovations will earn the Country the much-needed benefits in socio-economic development.

3.3.5 Recommendations

- i. Develop a National Policy on Science Technology and Innovation.
- ii. Review policies and legal frameworks to support the growth, application and utilization of ST&I.
- iii. Establish an integrated Knowledge Management Information System to inform the Country on the ST&I ecosystem.

3.4 Land Reforms

The Sector focuses on improving access, tenure and management of land to foster economic development in the Country.

3.4.1 Sector Performance

The achievements of the sector are presented in Table 3.8

Table 3.8: LAND REFORMS SECTOR MTP III ACHIEVEMENT FOR 2020/21 FY

MTP Outcome	III Outcome Indicator(s)	Achievement 2019/20 FY	Target 2020/21 FY	Achievement 2020/21 FY	Remarks
Improved access, Tenure and Land Management	Title Deeds Registered and Issued	454,990	350,000	403,431	The target was surpassed due to increased land transaction arising from land clinics conducted.
	Land Parcels Geo-referenced	24,000	250,000	50,269	Target not achieved due to budget cuts.

Source: Ministry of Lands and Physical Planning Annual Progress Report, 2020/21 FY

The target on title deeds registered and issued was exceeded by 15 percent due to the increased land transaction arising from land clinics conducted. Even though the land parcels Geo-referenced were way below the target, it was an improvement from that achieved in the 2019/20 FY.

Flagship Projects

The following flagship projects were undertaken during the period under review:

Processing and Registration of Land Title Deeds: Under this programme, 403,431 titles were registered against a target of 350,000.



His Excellency President Uhuru Kenyatta kicking off issuance of 10,000 title deeds to residents of Samburu County at KICC in November 2020.

National Land Management Information System: The system was rolled out in Nairobi City County and four new land registries were constructed and operationalized.



His Excellency President Uhuru Kenyatta during the launch of Ardhisasa Digital Platform in April, 2021

National Land Value Index: Preparation of Land Value Index was completed in 14 counties namely: Murang'a, Laikipia, Uasin Gishu, Trans Nzoia, Nyeri, Embu, Kirinyaga, Tharaka Nithi, Nakuru, Meru, Machakos, Nyandarua, Kajiado and Taita Taveta.

National Spatial Plan and National Land Use Policy: The Memorandum to guide implementation of National Spatial Plan & National Land Use Policy was prepared and approved by the Cabinet;

Development of Geo-Spatial Data: A total of 50 topographical and thematic maps against a target of 30.

Other Programmes/Projects

Resettlement for the Landless: A total of 4,469 landless persons were resettled against a target of 10,000 translating to an achievement of 44.69 percent. The resettlement was done in the following areas: Nakuru (Rongai San Marco -161, Rongai Giwa-569 and Molo-320); Taita Taveta (Mwatate-1,260); Kilifi (Malindi-48); Makueni (Makindu-1,721); Machakos (Masinga-186) and Mombasa (Jomvu-204).

Capacity Building Programme: Provided technical support to Nyeri County to develop Physical Development Plans for Chaka and Othaya Towns.

Development of Hydrographic Database: Five maritime maps for water bodies along Coast, Lake Victoria and Lake Naivasha were developed and ten benchmarks were established along Lake Naivasha.



3.4.2 Policy, Legal and Institutional Reforms

- i. The Business Laws (Amendment) Act, 2020 amended various land-related legislations including Land Registration Act, 2012, Stamp Duty Act (Cap. 480), Survey Act (Cap. 299), Registration of Documents Act to enable use of electronic documents for registration.
- ii. The Sectional Properties Act, 2020 was enacted and signed into law on December 11, 2020
- iii. Finalized the preparation of the Technical Report on Sectoral Laws and Policies to align with recommendations in the Sessional Paper No. 1 of 2017 on the National Land Use Policy; and
- iv. Prepared a Cabinet Memorandum on Recommendations for Sustainable Management of Riparian Reserves around Rivers, Lakes, the Sea, Swamps, Dams and springs.

3.4.3 Implementation Challenges

- i. Manual land records continued to hinder efforts towards quick land transactions.
- ii. High number of land litigation cases leading to high compensation cost in form of court awards
- iii. Insecurity along the Kenya-Somalia border and Kenya-Ethiopia border posed a threat to survey and maintenance of international boundaries.
- iv. Some of the land laws are not aligned to the constitution or reviewed to address emerging land issues.

3.4.4 Lessons Learnt

Multi-sectoral approach is critical for implementation of projects and programmes

3.4.5 Recommendations

- i. Fast track the programme of digitization of land records.
- ii. Promote Alternative Dispute Resolution mechanism in land disputes
- iii. Review relevant land laws and policies.
- iv. Timely signing of treaties by Kenya International Boundaries Office (KIBO) with neighbouring countries to facilitate prompt survey of international boundaries.

3.5 Public Sector Reforms

The Sector seeks to achieve an efficient, effective, equitable and ethical public sector that is vital to the successful implementation of policies, programmes and projects outlined in Kenya Vision 2030 and its Medium-Term Plans (MTPs).

3.5.1 Sector performance

During the review period, the Public Sector implemented various programs and projects aimed at increasing access to public services. Table 3.9 presents achievements for the Sector.

**Table 3.9: PUBLIC SECTOR REFORMS MTP III ACHIEVEMENT FOR 2020/21 FY**

MTP III Outcome	Outcome Indicator(s)	Achievement 2019/20 FY	Target 2020/21 FY	Achievement 2020/21 FY	Remarks
Improved Service Delivery	Proportion of officers recruited who are women in the civil service (%)	36.43	50	53	Implementation of affirmative action programs has contributed to the increase in the number of women in the civil service.
	Proportion of civil servants in Job Group P (CSG7) and above who are women (%)	28.96	30	30	

Source: State Department for Public Service Annual Progress Report, 2020/21 FY

The sector promoted the implementation of affirmative action programs across the public sector, consequently contributing to an increase of 16.57 percentage points in the number of women recruited in the Civil Service. The proportion of civil servants in Job Group P (CSG7) and above who are women was maintained at a minimum 30 percent as per the requirement of Articles 26 (6), Article 27 (8), Article 81 (b) and Article 177 (b).

Other Programmes/Projects

Huduma Kenya Programme: Six Boma-Yangu Services were uploaded on the M-Huduma Platform and Online Portal;

Capacity Assessment and Rationalization of the Public Service (CARPS): The CARPS report recommendations were submitted to the National and County Governments Coordinating Summit for consideration and approval.

Public Service Performance Management: 362 MDAs were placed on performance contracting, evaluated and feedback provided.

Capacity Building to MDACs: 505 public servants were trained through in-service training.

Medical cover for Civil Servants: The Sector continued to support the implementation of the Universal Health Care (UHC) by implementing the Medical Scheme for civil servants. 128,604 civil servants were covered under the Comprehensive Medical Insurance Scheme.

3.5.2 Policy, Legal and Institutional Reforms

- Government Business Continuity Guidelines during the COVID-19 pandemic were developed.
- A Draft Policy on Post-Retirement Medical Scheme for the Service was developed.
- Foreign Service Regulation and Representational Bill, 2021 was developed.

3.5.3 Implementation Challenges

- Some implementing agencies were understaffed hence affecting the delivery of services as per the agreed timelines;



- ii. COVID-19 containment measures resulted in scale-down of services at various Huduma Centres/projects affecting the delivery timelines.

3.5.4 Lessons Learnt

Inter-Governmental and inter-agency partnership and collaboration in service delivery is critical to the successful implementation of reforms in the Public Sector.

3.5.5 Recommendations

- i. Leverage on ICT for public service delivery;
- ii. Conduct staff rationalization to improve service delivery.

3.6 Labour and Employment

The Sector plays a key role in the achievement of the aspirations of the National Development Agenda through the creation of jobs, improvement of productivity and promotion of a conducive working environment for Kenyans.

3.6.1 Sector performance

The achievements of the Sector are presented in table 3.10.



Table 3.10: Labour and Employment Sector MTP III Achievement for 2020/21 FY

MTP Outcome	III Outcome Indicator(s)	Achievement 2019/20 FY	Target 2020/21FY	Achievement 2020/21FY	Remarks
Enhanced Labour Productivity	Jobs created	840,500	1,350,000	(737,500)	Suppressed growth of the economy due to COVID-19 Containment measures led to closure of enterprises and consequently job loss of 737,500 jobs.
	Country Labour Productivity Index	3.1	3.2	3.8	This improvement was attributed to the good performance in the Agriculture Sector.
	Country Competitiveness Index (Out of 7)	3.8	4.2	-	In 2020, the performance of countries was not ranked due to missing data from international organizations
Increased Employability of the Youth	Hard to serve youth provided with core life and business skills	11,493	42,000	36,283	
	Unemployment Rates (%)	13	5	12.3	Target not met due to suppressed economic growth
	Proportion of hard to serve youth employed after core life and business skills training (%)	59.7	90	-	An assessment of the absorption rate was not done following the change in the project implementation structure

Source: State Department for Labour Annual Progress Report, 2020/21 FY

The unemployment rate decreased from 13 percent in 2019/20 FY to 12.3 percent. This decline was attributed to reopening of enterprises and the economy following relaxation of COVID-19 containment measures. A total of 36,283 hard to serve youth were provided with core life and business skills, which is an achievement of 86.4 percent of the planned target.

Flagship projects



National Internship Programme: The Draft National Internship Policy was subjected to stakeholders validation and a Cabinet Memorandum prepared and submitted to the National Development Implementation Technical Committee (NDITC) for review.

Research and Training in Occupational Safety and Health (OSH): The OSH Institute construction project was at 71 percent completion level.

Alternative Dispute Resolution (ADR) Mechanism: Provided conciliation services to eleven economic disputes received from the Employment and Labour Relations Court: the Alternative Dispute Resolution Secretariat was established; a multi-agency committee to address health workers' issues was established; and five reported strikes and lock-outs were settled.

In addition, 3,388 labour and employment related disputes were processed with 2,872 of them being amicably resolved where KSh. 12,853,288 was recovered from employers involved in these disputes and the money given to the affected employees; a total of 3,458 labour inspections on wages, terms and conditions of employment were carried out; 1,227 social partners and labour officers were trained on improving labour relations and deepening social dialogue; and attestation of 1,361 Foreign Contracts was carried out and migrant workers taken up for jobs abroad.

Other Programmes/Projects

Labour Market Information System: A total of 322,986 people visited the system compared to 233,751 in the 2019/20 FY representing an increase of 38.2 percent. Job Opportunity Analysis (JOA) was carried out to provide insights on the number of vacancies, skill requirements and location of jobs in different sectors.

Social Security: The NSSF registered 348,291 new members and 61,458 new employers thus increasing membership contribution to KSh. 14.24 Billion. The Fund developed and implemented the *Haba Haba* savings plan targeting informal sector workers and enrolled 172,000 members.

3.6.2 Policy, Legal and Institutional Reforms

- i. Reviewed the following Labour Laws: Occupational Safety and Health Act, 2007; Work Injury Benefits Act, 2007; Labour Institutions Act, 2007; Labour Relations Act, 2007; and Employment Act, 2007;
- ii. Developed the Employment (Amendment) Act 2021; and
- iii. Established and operationalized eleven Wages Councils in various sectors

3.6.3 Implementation Challenges

Litigations hampered full implementation of NSSF Act No. 45 of 2013.

3.6.4 Lessons Learnt

- i. Exploitation of the dual nature of ICT as a job seeking tool and a job creator creates employment opportunities.
- ii. Inadequate regulation of the emerging sectors such as exploration of the newly discovered oil and gas reserves led to occupational hazards.



3.6.5 Recommendations

- i. Leverage on ICT to enhance productivity and job creation
- ii. Promote ADR for dispute resolution in the public sector.

3.7 National Values and Ethics

The sector aims at strengthening national cohesiveness, unity and national values that will inform an ethical institutional framework which provides the foundation for attainment of the Kenya Vision 2030.

3.7.1 Sector performance

Table 3.11. presents the achievements for the sector during the review period.

Table 3.11: NATIONAL VALUES AND ETHICS SECTOR MTP III ACHIEVEMENT FOR 2020/21 FY

MTP III Outcome	Outcome Indicator	Achievement 2019/20 FY	Target 2020/21 FY	Achievement 2020/21 FY	Remarks
Enhanced Compliance to National Values and Ethics	Proportion of public awareness on National Values and Ethics	-	70	-	A survey to establish the status was not conducted.
	Number of public institutions mainstreaming National Values and Principles of governance	373	240	397	The over achievement was attributed to continued loading of the National Values Indicator in the performance contracts of MDAs.
	Number of Human Rights Violations cases reported and concluded (disaggregated by sex)	1,699	1,000	1,303	Cases of domestic violence escalated during the COVID-19 containment measures.

Source: 2020 Annual President's Report on National Values.

A total of 397 public institutions mainstreamed monitoring and reporting on national values and principles of governance against a target of 240, translating to 165.4 percent achievement of the planned target. The Sector continued to implement a comprehensive and targeted civic education programme targeting state and non-state actors.

Other Programmes

Enforcement of legal provisions on national values and ethics: Unexplained wealth and other corruptly acquired assets worth KSh.7 Billion which included land and other immovable properties, as well as KSh.210 Million in cash were recovered. Unexplained wealth held by public officers and other corruptly acquired public property valued at KSh.4 Billion were traced. Further, court orders freezing assets worth KSh.1.6 Billion were secured pending determination of the cases.



Enforcement of ethics and integrity in public service: A total of 4,767 reports on corruption and unethical conduct were received of which 120 files were completed and the suspects recommended for prosecution. In addition, 25 sting and trap operations involving KSh. 6,772,300 were conducted. A total of 28 cases were finalized in court resulting in 21 convictions, 5 acquittals and 2 withdrawals. Further, cautions were issued to 227 civil servants found to have violated integrity requirements while 198 technical advisories were issued to public institutions and officers to enhance compliance with Chapter 6 of the Constitution.

Integrity And Compliance With Chapter Six Of The Constitution On Leadership And Integrity Act 2012: A total of 8,438 integrity verification requests from recruiting agencies in the national and county Governments as well as 28,312 self-declaration forms from individuals seeking appointment to the public service in line with Section 12A of the Leadership and Integrity Act, 2012 were processed. To avert corruption through regulation of bank accounts outside Kenya, the Sector approved new applications from 185 public officers to open and operate bank accounts outside Kenya.

Enforcement of human rights: A total of 1,303 complaints of alleged human rights violations were received and processed. The category with the highest of complaints reported was the economic, social and cultural rights with 633 (48.6 percent) followed by civil and political rights with 591 (45.4 percent) and group rights recorded 79 (6 percent). A total of 2,970 complaints against members of the National Police Service were received; 364 inspections of police premises and detention facilities were conducted; investigation of 713 cases of police misconduct were concluded.

Promotion of national values and ethics: 914 (56 percent) complaints out of 1,567 received from the public on integrity were determined. 70 out of 121 complaints and petitions received against judges on incompetence, illegalities, gross misconduct, gross misbehaviour, fraud and violation of the law were concluded. 126 corruption matters filed in court were determined. 40 sexual offences cases against women, youth and children were handled. 471 persons were honoured in recognition of their service and contribution to the nation.

Entrenching national values and ethics in revenue collection services: 2,480 tax issues and complaints from the public were received and resolved. 1,509 officers were sanctioned for ethical breaches. Eleven lifestyle audits were conducted and five cases were forwarded to the Asset Recovery Agency. Proceeds of crime valued at KSh 834.4 Million were recovered and assets valued at KSh.189.5 Million forfeited.

Mainstreaming national values and ethics in MDAs' programmes, projects and activities: A total of 98 Focal Point Persons drawn from public institutions were trained on national values and principles of governance. Further, capacity building workshops for 34 public entities were conducted and 11,478 copies of technical guidelines on implementation of Chapter 6 of the Constitution were conducted. To mainstream integrity in the education sector, the Sector undertook an integrity outreach in 127 learning institutions across the Country, trained 901 school managers and held 2 integrity club forums for 780 integrity club members and teachers from 21 schools.



Promotion of National Values and Ethics: A media campaign was conducted reaching an estimated 24 Million Kenyans with integrity and anti-corruption messages. In addition, 5 articles were published in various print media reaching an estimated 4,410,000 readers. The Sector also reached out to 533 members of targeted community networks including members of Boda Boda safety associations, Maendeleo ya Wanawake organizations, religious organizations, civil society organizations and youth groups.

Annual Status of National Values and Principles of Governance: The 2020 Annual President's Report on measures taken and progress achieved in the realization of national values and principles as espoused under Article 10 and Article 132(1)(c)(i) was prepared.

3.7.2 Policy, Legal and Institutional Reforms

The Sector supported the development of the following Bills and policies to integrate national values and ethics during the review period:

- i. Conflict of Interests Bill, 2020;
- ii. Ethics and Integrity Laws (amendment) Bill 2020;
- iii. The Public Finance Management (amendment) Bill, 2020;
- iv. The Public Service (values and principles (amendment) Bill, 2019;
- v. The County Governments (amendments) Bill, 2020;
- vi. The Business Laws (amendment) Bill, 2020;
- vii. The Public Procurement and Assets Disposal (amendments) Bill, 2020;
- viii. The Pandemic Response and Management Bill, 2020;
- ix. National Drought Management (amendment) Bill, 2019;
- x. The Social Assistance Bill, 2019;
- xi. The Kenya Land Sector Gender Policy; and
- xii. Debt and Borrowing Policy.

3.8 Ending Drought Emergencies (EDE)

The EDE framework has six pillars which include: peace and security; climate proofed infrastructure (water, roads, energy, ICT); human capital (health and education); sustainable livelihoods; drought risk management; and institutional development and knowledge management.

3.8.1 Sector Performance

The sector's performance for the review period is outlined in Table 3.12.

**Table 3.12: EDE SECTOR MTP III ACHIEVEMENTS FOR 2020/2021 FY**

MTP Outcome	III Outcome Indicator(s)	Achievement 2019/20 FY	Target 2020/21FY	Achievement 2020/21FY	Remarks
Reduced risks to communities and livelihoods resulting from drought	Number of human deaths attributed to drought per 100,000 population	0	0	0	
	Proportion of livestock population lost (dying) during drought (%)	0	15	0	
	No. of ASAL counties (23) that have integrated the EDE Strategy in their CIDP II.	23	19	23	EDE was mainstreamed into the CIDP in all ASAL counties

Source: National Drought Management Authority Annual Progress Report 2020/2021

There was no severe drought in the Country during the review period and hence the overall effects of drought were minimal with no human or livestock deaths as a result of drought. The increased investments in resilience building (water harvesting, dam construction, water pans, irrigation and livestock marketing infrastructure) by the national Government and county Governments in the 23 ASAL Counties also contributed to reduced stress from drought.

Flagship Projects

National Integrated Drought Early Warning Systems: Achievements include: Modernization of the Drought Early Warning System through adoption of mobile phone technology for data collection and transmission; use of remote sensing to produce the Vegetation Condition Index (VCI) for each county every two weeks as part of drought early warning; production and dissemination of drought early warning bulletins for each of the 23 ASAL Counties; production of 12 national drought early warning bulletins; and production of 46 short rains and long rains assessments reports by a multi-stakeholder team.

Hunger Safety Net Programme (HSNP): A total of 100,064 poor households in Turkana, Mandera, Marsabit and Wajir received cash transfers of KSh. 5,600 each, every two months; The Project coverage was expanded to four additional counties of Isiolo, Tana River, Samburu and Garissa with project officers being recruited and trained to implement the project; Cash transfers amounting to KSh. 88,761,533 were provided to drought affected households under the scalability programme in Marsabit, Mandera and Wajir Counties.

National Drought Emergency Fund (NDEF): An amendment bill of the NDMA Act 2016 was enacted giving way for operationalizing of the Fund through the PFM Act 2012. The NDEF Regulations were drafted, debated in parliament and approved.

Integrated Knowledge Management System for Drought: The Knowledge Management Strategy was finalized and approved by the NDMA Board and rolled-out for implementation; Knowledge



Management Information Sharing Platform for Drought Risk Management and Ending Drought Emergencies system modules were completed, ready for roll-out; Six PhD students received research bursaries from NDMA to carry out research on priority drought risk management areas.

3.8.2 Policy, Institutional and Legal Reforms

- i. The NDMA Act 2016 amendment bill was enacted.
- ii. The NDEF Regulations 2021 were developed and approved by Parliament.

3.8.3 Implementation Challenges

Payment of cash transfers to poor households was affected following a 50 percent cut in the Hunger Safety Net Programme (HSNP) budget.

3.8.4 Lessons Learnt

- i. Gender mainstreaming plays a vital role in drought emergency mitigation more so in data collection, project identification and design and response from the community for prompt action.
- ii. Community participation is key in ensuring sustainability and ownership of projects. This can be set out by enlisting concepts like DRR, DRM amongst others.

3.8.5 Recommendations

- i. Increase county Government financing-leadership for DRR activities
- ii. Fast track the operationalization of NDEF
- iii. Increase county use of the hazard atlases for DRR planning and programming

3.9 Security, Peace Building and Conflict Resolution

The Security, Peace Building and Conflict Resolution sector is key in order for the Country to achieve its goals as set out in the Kenya Vision 2030. The Sector comprises two sub-sectors which include: Interior & Citizen Services and Correctional Services.

3.9.1 Sector Performance

During the review period, the Sector implemented various programmes and projects towards creating an enabling environment for economic development in the Country. Table 3.13 outlines the Sector's achievements.



Table 3.13: Security, Peace Building and Conflict Resolution MTP III ACHIEVEMENT FOR 2020/21 FY

MTP III Outcome	Outcome Indicator(s)	Achievement 2019/20 FY	Target 2020/21 FY	Achievement 2020/21 FY	Remarks
Enhanced Security in the Country	Police: Population Ratio	1:536	1:411	1: 470	Recruitment numbers were not achieved due to COVID-19 disruptions and budgetary constraints.
	Crime Rate	5.8	5.14	4.3	The decrease was attributed to the lockdown and curfew imposed to curb the spread of COVID-19 pandemic
	Timeliness in crime scene response (hrs)	0.5	1.5	2	Target missed due to shortage of vehicles.
Enhanced Citizen Participation in Security Matters	Nyumba Kumi Coverage (%)	80	100	100	
	Participation of Women in the County Peace and Security Committees (%)	33	32	32	Out of the 15 members in the peace committees, at least 5 of them are women.
Improved Immigration Services	No of e-Pass ports issued	382,150	250,000	221,070	The COVID-19 pandemic affected the achievements of set targets
	No of Work Permits issued	12,699	30,000	19,380	
	No of E Visa issued	350,934	525,000	257,940	
Improved Refugee Management	No. of Refugees registered	19,764	27,000	23,535	COVID-19 pandemic effects resulted in suspension of registration of new arrivals
	No. of Refugees relocated	18,689	13,600	300	Variance was brought about by effects of COVID-19 pandemic
	No. of Refugees voluntarily repatriated	10,645	12,500	1,256	
Improved Management of Correctional Services	Percentage of offenders contained, supervised	100	100	100	
	Percentage of offenders rehabilitated and re-integrated to the community	100	100	100	

Source: State Department for Interior and Citizen Services and State Department for Correctional Services Annual Progress Reports 2020/2021 FY



Nyumba Kumi Initiative has now been fully implemented and operationalized in the whole Country as a result of coordination by security personnel at the county and sub county level. The target of participation of women in county peace and security committees had a 100 percent achievement as the two thirds gender rule was applied when constituting County Peace and Security Committees.

Flagship Projects

KDF Modernization: Assorted security equipment were acquired to enhance national and regional security;

National Police Forensic Laboratory: The laboratory equipping and staffing progressed from 20 percent completion in the previous year to 35 percent completion. The full operationalization of the laboratory will result in reduced timelines in resolving crimes and increased conviction rates.



The National Forensic Laboratory building located along Kiambu Road

Other Projects

KDF Food Processing Factory (KDF-FPF) Phase II & III Gilgil: The Project aimed at enhancing food security in the Country. The project was at design and development stage and is expected to cost USD 18 Million;

Construction of 4000T Slipway for Kenya Navy – Mombasa: The Project was 88 percent complete at a cost of Ksh. 6 Billion.

3.9.2 Policy, Legal and Institutional Reforms

- i. Policy framework and strategy for reorganization of the National Police Service;
- ii. Draft Disaster Risk Management (DRM) Policy, 2017 approved by Cabinet and forwarded to the National Assembly;
- iii. Policy on provision of decent and affordable housing for police officers and integration with Communities reviewed;



- iv. Draft Migration Policy developed awaiting Cabinet approval
- v. Kenya Space Agency established and operationalized
- vi. Draft Government Chemist Authority Bill, 2021 developed;
- vii. Draft National Government Coordination (Amendment) Bill, 2021 developed;
- viii. Drafted the Refugees Bill, 2019;
- ix. Draft DRM Bill, 2020 approved by Cabinet and forwarded to the National Assembly;
- x. Draft Strategic Goods Bill, 2021 sent to MDAs for signature before submission to the Cabinet;
- xi. Amendment of the Official Secrets Act, 2019; and
- xii. Amendment of the Public Holidays Act, 2019.

3.9.3 Implementation Challenges

- i. Dynamic security environment that limits the predictability of the level of success of planned programmes.
- ii. Weak collaboration framework between the security agents and members of the public
- iii. Emerging and changing trends in crime and terrorism for example infiltration of terrorist cells in refugee camps and host communities; and
- iv. Inadequate terror rehabilitation programmes.

3.9.4 Lessons learnt

- i. Community involvement in conflict management leads to sustainable peace and stability;
- ii. Use of technology is effective in combating crime;
- iii. Collaboration among Government agencies enhances effectiveness and service delivery.

3.9.5 Recommendations

- i. Formulate rehabilitation programmes for terror suspects;
- ii. Diversify training programs and adopt technologically driven offender rehabilitation process;
- iii. Increase vetting of officers and intelligence gathering to contain radicalization;
- iv. Install appropriate ICT infrastructure covering all security agencies and ensure integration with other systems; and
- v. Enhance capacity of security agents for effective and efficient provision of security and policing services.

CHAPTER FOUR





CHAPTER FOUR

ECONOMIC PILLAR

Overview

The Economic Pillar aims to attain and sustain an annual GDP growth rate of 10 percent envisioned in the Kenya Vision 2030. Under the Third Medium Term Plan (MTP) of the Vision the sector has eight (8) priority sectors: Agriculture and Livestock; Manufacturing; Tourism; Trade; Business Process Outsourcing; Financial Services; Oil, Gas and Mineral Resources; and the Blue Economy. The Blue Economy, Agriculture and livestock sectors are key in the delivery of the Food and Nutrition Security Pillar, while the Manufacturing sector is the core driver of the Manufacturing Pillar of the Big “Four” Agenda.

4.1 Agriculture and Livestock Sector

The Sector is key in driving the economy to the targeted 10 percent annual economic growth; attaining 100 percent food and nutrition security; and providing raw materials for agro-industries under the ‘Big Four’ Agenda. Furthermore, the Sector supports delivery of Kenya’s regional and global commitments such as the Comprehensive Africa Agricultural Development Programme (CAADP), the Africa Agenda 2063 and the United Nations Agenda 2030. To deliver on its mandate, the sector promotes innovative, commercially-oriented and modern agriculture.

4.1.1 Sector Performance

During the review period, Agriculture and Livestock Sector performed as presented in Table 4.1



Table 4.1: Agriculture and livestock sector MTP III achievements for 2020/21 FY

MTP Outcome	III Outcome Indicator	Achievement 2019/20	Target 2020/21	Achievement 2020/21	Remarks
Crop contribution to GDP	Share of Crops Sub-sector contribution to GDP (%)	15.2	30	16.6	The rebasing of the economy reduced the percentage contribution of the Sub-sector
Reduced post-harvest losses of maize	Percentage change in post-harvest losses of maize (%)	16	15	15	
Increased livestock production	Share of Livestock Sub-sector contribution to GDP (%)	3.5	7.5	3.6	The rebasing of the economy reduced the percentage contribution of the Sub-sector
	Amount of Milk produced (Million litres)	4124	6,000	4048	Inadequate animal husbandry, high cost of inputs, low market prices affected production.
	Amount of meat produced ('000MT)	748.9	915.2	563.6	Inadequate animal husbandry, high cost of inputs, low market prices affected production and COVID-19 containment measures affected the demand for meat.
	Amount of honey produced (Million Litres)	27.5	34	17.8	Inadequate funding affected establishment of bee bulking sites and bee colonies multiplication sites.
	Value of poultry production (KSh in Billions)	42.5	8	34	Resulted from low cost of production and promotion of poultry products

Source: State Department for Crop Development & Agricultural Research and State Department for Livestock Annual Progress Reports 2020/21 FY

The maize yield losses were reduced by 15 percent through development and dissemination of technical information materials on the management of fall armyworms, desert locusts and Aflatoxin; procurement and distribution of 100 MT of Aflasafe to counties in aflatoxin hotspots in Eastern, Coast, Central and Rift Valley region; and capacity building of county extension service providers (scouts, survey teams, control teams, NYS) on monitoring, surveillance, control of strategic pests, and post-harvest technologies. Wheat and rice losses were reduced through controlling of quelea birds in Narok, Kirinyaga, Meru, Kitui and Makueni Counties.



Production of livestock and livestock products fell short of the targeted quantities. This was attributed to unfavorable weather conditions, inadequate animal husbandry, high cost of inputs, low market prices for livestock and products discouraging livestock rearing.

Flagship projects

Fertilizer Cost Reduction Programme: The e-voucher program was implemented in 12 Counties targeting maize, coffee, rice, irish potato and sorghum production. A total of 30,041 farmers from 13 Counties were supported with assorted inputs for cereals and pulses.

Disease Free Zones (DFZ): The Disease-Free Zones were 72 percent complete falling short of the targeted 80 percent as a result of a breach of contract by the contractor leading to its termination.

Other Project(s)

Enhancing Large Scale Crop Production: Area under irrigation was increased by 48,000 acres through construction of household water pans, construction of community-based smallholder irrigation projects, and expansion of public schemes e.g., Mwea, Alero and Bura Irrigation schemes.

Nutrition Security Project: There was an increase in maize production from 39.8 Million bags in 2019 to 40.2 Million bags; rice production increased from 102,905 MT in 2019 to 171,500 MT in 2020 while production of irish potatoes declined from 1.9 tons in 2019 to 1.6 tons in 2020.

Improved Agricultural Mechanization: The Sector operationalized rice transplanters and rice combine harvesters for Bunyala Pilot Agricultural Mechanization Hub for development of the rice value chain.

Drive Small Scale Holder Productivity and Agro - Processing: To enhance Agro-processing and Value addition through creation and support of SMEs, the pyrethrum, coffee and cotton revitalization plans were developed. Further, 101 SMEs were developed under priority value chains of rice (2), irish potato (24), maize (20), fruits, nuts & oils (80) tea (33), coffee (40), cotton (20) and input supply & services (20). Agro processing incubation centers were completed and equipped at Ruiru & Siaya Agricultural Technology Development Centres (ATDCs) while refurbishment of infrastructure was done at Bungoma, Nakuru, Siakago, and Mtwapa ATDCs.

Agriculture Insurance and Risk Management (Crops Insurance): The number of counties covered increased from 33 to 38 though there was a decrease in the number of farmers covered from 488,793 to 411,634 due to COVID-19 restrictions and budget reallocations which affected farmers' sensitization and overall uptake of the product during the seasons. The crops covered were maize, green grams and irish potatoes.

Enhanced Meat production:

During the review period, the Sector implemented the following initiatives to increase meat production in the Country:

- i. Tsetse and trypanosomiasis infestation was suppressed in five (5) tsetse belts namely: Lake Victoria, Lake Bogoria, Western, Meru/Mwea and Coast. In the five tsetse belts the target was to



- cover 28 Counties for control and sustenance including sustainable land management. Cumulatively 21 Counties out of 28 targeted were covered.
- ii. Supplied 3,350 Day Old Chicks (DOC) out of a target of 720,000. The target was affected by hatcheries operationalization delays in Marimanti and Kimose.
 - iii. Produced and availed 1,006 rabbits to farmers against a target of 10,000. The variance was occasioned by incomplete rehabilitation of Marimba, Kimose and Matuga rabbit's multiplication sites due to inadequate funds and budget reductions.
 - iv. Availed 2,378 piglets to SMEs against a target of 12,000. The target was not attained due to budget reductions which affected the procurement of breeding stocks and other required inputs. Pig multiplication units were constructed at Ngong Veterinary Farm and Dairy Training Institute in Naivasha. Further, 112 SMEs and 17 Trainer of Trainers (ToT) from 8 implementing counties (Meru, Nyeri, Nakuru, Kajiado, Kiambu, Kakamega, Nyandarua, and Migori) and a farm manager at DTI Naivasha were trained on pig production.



Pig Multiplication Centre at DTI Naivasha (left) and one of the Cooling plants established across the Country.

Enhanced Milk Production: The following initiatives were undertaken to increase milk production:

- i. Vaccination coverage was at 13 percent compared to a target of 70 percent. A total of 43.6 Million doses of assorted vaccines were produced and availed to livestock keepers during the period.
- ii. Biosafety Laboratory Level 3 (BSL 3) was at 82 percent completion level.
- iii. Livestock Identification and Traceability (LITS) roll-out started in Laikipia County and capacity building was on-going in other counties.
- iv. Under milk post-harvest management, the milk processed increased from 775 Million litres to 858 Million litres against a target of 800 Million litres. Towards this, 380 milk bulking and cooling equipment had been installed against a cumulative target of 340.

Enhanced Honey Production: 707 bee colonies were produced and distributed against a target of 4,000, while 4 sentinel bee colonies were established against a target of 10.



4.1.2 Policy, Legal and Institutional Reforms

- i. The following policies were drafted: Agricultural Policy, Sugar Industry Policy, National Agricultural Insurance Policy, Agricultural Soil Management Policy, Agriculture Mechanization Policy, and National Agricultural Research System Policy.
- ii. The following Bills were developed: Plant Protection Bill 2021, Mechanization Bill 2021, National Food Reserve and Trading Corporation Bill awaiting validation, Coffee Bill 2020, Animal Health Bill, Veterinary Public Health Bill, Animal Welfare and Protection Bill, and Livestock Bill 2020.
- iii. Sessional Paper No.2 of 2020 on Veterinary Policy and Sessional Paper No.3 of 2020 on Livestock Policy were developed.
- iv. Dairy Industry Regulations 2021 were finalized and gazetted.

4.1.3 Implementation Challenges

- i. Inadequate animal husbandry;
- ii. Inadequate quantities of quality seed & planting materials;
- iii. Frequent and prolonged droughts, frost, floods and emerging new pests and diseases;
- iv. Diminishing farm sizes and productivity in high and medium rainfall areas;
- v. Low adoption of technology in delivery of services in the sector.

4.1.4 Recommendations

- i. Strengthen crop and livestock research and dissemination mechanism and modernize agriculture training institutions to increase access to suitable varieties of breeds, seeds and planting materials;
- ii. Bolster household resilience especially in ASAL regions through enhancing production of drought-resistant crops and adapting environmentally friendly farming practices to increase production;
- iii. Enhance implementation of the land commercialization initiative and unlock new large-scale private farms operated by commercial agribusiness ventures on crops, pasture, livestock, and fisheries production;
- iv. Implement the digitisation strategy towards enhancing the use of ICT in delivery of services such as e-extension, e-subsidies, digital food balance sheets, and early warning systems.

4.2 Manufacturing Sector

The Manufacturing Sector is identified as one of the important sectors in accelerating economic growth and development under the Kenya Vision 2030 and the Big Four Agenda. The Sector seeks to ensure value addition, enterprise development, quality standards for production of goods, strengthen industrial research and innovation, create enabling business environments, and build industrial skills.

4.2.1 Sector Performance

During the review period, there was a slow-down in the manufacturing enterprises establishments and subsequently decline in the outputs and employment level. Table 4.2 presents a summary of the Sector achievements for the review period.

**Table 4.2: Manufacturing sector MTP III achievements for 2020/21 FY**

MTP Outcome	III Outcome Indicator	Achievements 2019/2020	Target 2020/21	Achievement 2020/21	Remarks
Increased contribution of the Manufacturing Sector to GDP	Share of the Manufacturing Sector to GDP (%)	7.5	12.6	7.6	The COVID-19 pandemic disrupted the supply of raw materials and distribution of finished products
Increased Growth in the Manufacturing Sector	Percentage growth in the Manufacturing Sector (%)	1.8	7.5	2.0	
Increased job creation in the Manufacturing Sector	Number of jobs created in the Manufacturing Sector (000's)	353.3 Male 292.2 Female 61.1	620	316.9	COVID-19 pandemic affected the employment level as firms had to scale down their workforce

Source: State Department for Industrialization and Enterprise Development Annual Progress Report 2020/21 FY

The Sector growth of 1.0 was below the target as well as lower than that recorded in 2019/20 FY. The growth in the Sector was contributed to by manufacture of sugar; cement; tea, chemical and chemical products; and pharmaceutical products. Areas that faced a decline were manufacture of leather and related products, beverages, motor vehicle, trailers and semi-trailers, rubber and dairy products.

Flagship Projects

Special Economic Zones (SEZ): Basic infrastructure (Business Centre to house one stop shop; custom gatehouses and custom warehouses; perimeter wall; buffer zone and landscaping; and Administration Block) was done up to 7 percent and 6 percent completion level at Naivasha SEZ and Dongo Kundu SEZ respectively. Delay in resettlement of persons affected by the Dongo Kundu project affected the progress of this project. A further nine (9) private SEZs were gazetted.

Industrial clusters development programme: The Athi River Textile Hub attracted investments worth KSh 117.2 Billion; while value of exports from Export Processing Zones (EPZs) reached KSh. 85.4 Billion. This is an increase from the previous period where the textile hub attracted an investment worth KSh. 109 Billion and exports from EPZs were worth KSh. 70.6 Billion.

RIVATEX modernization of machinery reached 90 percent completion level with installation of spinning, dyeing and weaving machines; construction of effluent treatment plant to completion; and of perimeter wall. In addition, 10,000 farmers were provided with inputs consisting of 30.5 tonnes of seeds & 1725 litres of pesticides; and 14,564 acres of land were put under cotton production.

Increased production of castings and manufacture of transmission parts: A total of 98 tonnes of castings were produced, 259,000 transmission parts /industrial fittings were manufactured and production of auto parts for local vehicle assembling commenced.



Investments Attraction (Domestic & Foreign), investment promotion and one stop-shop Centre: A total of 189 project proposals worth KSh 68.9 Billion were facilitated while establishment of one stop-shop centre reached 75 percent completion level.

Upgrade of research laboratories infrastructure: the Sector developed and transferred 14 industrial technologies; supported 840 SMEs with incubation and common manufacturing facilities; and fully equipped Natural Products & Food Laboratories. Construction of Industrial Research laboratories in Nairobi, South B was at 76.5 percent completion level.

4.2.2 Policy, Legal and Institutional Reforms

- i. Kenya Investment Policy 2019 was approved by Cabinet.
- ii. Kenya Accreditation Services Act 2019 was enacted.
- iii. Draft National Automotive Policy was developed and submitted to Cabinet for approval.
- iv. Proposed amendments to the Kenya Consumer Protection Act were forwarded to the State Law Office
- v. The Trade Descriptions Bill 2020 was finalized and submitted to the State Law Office for processing.
- vi. Micro and Small Enterprises Authority Policy was reviewed.

4.2.3 Implementation Challenges

- i. Unavailability of adequate, affordable and accessible land for establishment of industrial parks;
- ii. Encroachment of land earmarked for industrialisation;
- iii. High cost of energy due to high energy tariffs which has hampered growth of industries and high product prices;
- iv. Inadequate capacity to conduct surveillance and enforce standards resulting to increased sub-standard, counterfeits and contra-band goods due to; and
- v. Limited access to affordable credit facilities and financial services constraining growth of businesses.

4.2.4 Recommendations

- i. Liaise with the National Land Commission and County Governments to set aside land for Industrial development;
- ii. The Energy Sector should enhance provision of affordable and reliable energy;
- iii. Strengthen human resource development capacity to conduct surveillance and enforce standards; and
- iv. Increase investment in physical facilities and access to affordable financing and credit facilities for micro, small and medium industries.



4.3 Tourism Sector

The Tourism Sector is estimated to account for about 10 percent of the Country's GDP and 9 percent of the total employment. It also contributes to the foreign exchange earnings and is a strategic enabler to the Government's "Big Four" Agenda and contributes to realization of the Sustainable Development Goals (SDGs).

4.3.1 Sector Performance

During the MTP III period, the Tourism Sector targeted to: increase international tourist arrivals from 1.3 Million in 2016 to 2.5 Million by 2022; increase tourism earnings from KSh. 99.7 Billion to KSh. 175 Billion; and to increase domestic bed-nights from 3.5 Million to 6.5 Million. Table 4.3 presents a summary of the sector achievements for the review period.

Table 4.3: Tourism sector MTP III achievements for 2020/21 FY

MTP Outcome	III Outcome Indicator	Achievement 2019/2020	Target 2020/21	Achievement 2020/21	Remarks
Increased Tourism earnings	Tourism Earnings (KSh Billions)	163.6	145	91.7	The Sector was adversely affected by the COVID-19 pandemic
Increased Tourist arrivals	Tourist Arrivals (Millions)	2.031	5.5	0.5796	
Increased Bed nights by Kenyans	Bed-Nights by Kenyans (Millions)	4.05	2.1	2.6	

Source: Economic Survey 2021

The Sector performance was affected by the outbreak of the COVID-19 pandemic that led to suspension of international passenger flights as well as implementation of containment measures resulting in massive cancellation of bookings and loss of foreign exchange. This resulted in tourism decline with International Tourist arrivals falling by 71.5 percent from 2.0 Million in 2019/20 FY to 0.6 Million in 2020/21 FY while earnings dipped by 43.9 percent from KSh 163.6 Billion to KSh. 91.7 Billion respectively. Domestic tourism declined by 46.7 percent from 4.05 Million to 2.57 Million during the same period.

The Sector also experienced decline in international and local conferences by 87.0 percent and 75.2 percent to 28 and 1,176 respectively; Delegates attending international conferences dropped significantly from 72,011 in 2019 to 1,044 in 2020 while local delegates reduced by 88.5 percent to 80,139 in 2020.

Flagship Projects

Tourism Product Development: Mama Ngina WaterFront redesigning as an Iconic Sea Front was completed and operationalized. Other projects such as elevation of Amboseli's status to "Must See"

did not yield expected results due to COVID-19. The number of visitors to Amboseli declined by 71 percent in 2020 to stand at 55,076 from 191,700 in 2019.

Niche products Development and Diversification: The Safari Rally was reinstated into the World Rally Championship calendar and the Country hosted the FIA World Rally championship.

Tourism Training and Capacity Building: Ronald Ngala Utalii College in Kilifi County was upto 60 percent completion level.

Development of Isiolo, Turkana, and Lamu Resort Cities: The sites were identified and gazetted through LAPSET. Pre-Feasibility and feasibility studies commenced.

Other project(s)

Tourism Research and the enabling services: The first Kenya Tourism Satellite Account (TSA) Report was prepared to provide an internationally recognized and standardized method of assessing the scale of tourism-related production and its links across different sectors.

East African Tourism Visa (EATV): A verification exercise on the status of EATV Stickers sales at National, Regional and International level was undertaken. The exercise recommended that partner States need to publicize the EATV at all border entries and enhance record keeping and data management. The implementation of the EATV has led to an increase in the number of tourists visiting Kenya.



East African Tourism Visa

4.3.2 Policy, Institutional and Legal Reforms

- i. A Cabinet Memo on Revised National Tourism Policy was prepared and submitted to NDITC;
- ii. Instruments for operationalization of Tourist Police Service (TPS) were developed and include: a Memorandum of Association between the Cabinet Secretary of Tourism & Wildlife and Inspector General of Police; Establishment of the structure of TPS; and Establishment of transition measures.

4.3.3 Implementation Challenges

- i. Narrow product range mainly focusing on the nature base products i.e wildlife and beaches;



- ii. Inadequate number of 4–5-star hotels in the Country, currently reported at 18 percent of hotels compared to the average of 40 percent for competing long haul destinations; and
- iii. Loss of biodiversity, vanishing glaciers in Mt. Kenya and Kilimanjaro, rising sea levels among others due to climate change affecting the overall attractiveness of the Country as a tourist destination.

4.3.4 Lessons Learnt

- i. Swift implementation of hygiene and safety protocols, visitor traffic flow, use of common spaces protocols, compliance to COVID-19 guidelines and a widespread vaccination campaign are critical in restoring confidence in tourists.
- ii. The postmodern tourist wants experiential travel and to interact with the destination through cuisine, entertainment, culture and heritage.
- iii. Access to technology and the internet offer has changed the tourism product from the all-inclusive package to one suiting the independent traveller hence marketing of the tourism product and the charter business is on a reducing trend.

4.3.5 Recommendations

- i. Provide diverse alternative tourism products which are more appealing to the post-modern tourists including domestic travellers; and
- ii. Develop and apply more stringent standards for property development within National parks and reserves.

4.4 Trade Sector

Trade Sector facilitates forward and backward linkages with the other sectors of the economy stimulating economic growth and development, employment, and wealth creation, driving productivity and poverty reduction.

4.4.1 Sector Performance

During the review period, the Sector focused on broadening the export product base, widening export markets, consumer protection and capacity building and provision of appropriate policy, legal and institutional framework. Key achievements during the review period are presented in Table 4.4



Table 4.4: Trade sector MTP III achievements for 2020/21 FY

MTP Outcome	III Outcome Indicator	Achievement 2019/2020 FY	Target 2020/21	Achievement 2020/21	Remarks
Increased contribution of retail and wholesale trade to GDP	Share of trade contribution to GDP (%)	8.2	8.9	8.1	Reduced economic activities in the sector as a result of the COVID-19 containment measures.
Increased Kenyan Exports	Total value of Exports (B/KSh)	596.7	1160.3	643.7	COVID-19 containment measures in key trading partners and international competition reduced market access for Kenya products.
	Total value of exports to the EAC (B/KSh)	140.4	257	158.3	Trade barriers between Kenya and Tanzania and effects of the COVID-19 pandemic affected trade within the EAC
Increased Domestic Trade	Value of wholesale and retail trade (B/KSh)	730	588	727	Increased consumption of locally produced goods and services as a result of reduced imports during the COVID-19 pandemic.
Jobs created in wholesale and retail trade	No. of jobs created ('000) (Disaggregated by sex)	269.2 183.1 Male 86.1 Female	1182	251.2 174.2 Male 77 Female	COVID- 19 pandemic led to loss of jobs

Source: Economic Survey Report 2021

The value of exports increased from KSh 596.7 Billion in 2019 to KSh 643.7 Billion in 2020. This was attributed to an increase in the value of domestic exports of tea, horticulture, coffee, titanium ores and concentrates. However, the total volume of trade declined from KSh 2,403.0 Billion in 2019 to KSh 2,287.2 Billion in 2020 as a result of a decline in imports coupled with a moderate growth in total exports.

Flagship projects

Establishment of Export Credit Guarantee Scheme: The concepts were developed, submitted, and approved translating to an achievement of 5 percent against a target of 10 percent.

Other Programmes/Projects

Kenya Trade Remedies Agency (KETRA): A strategic plan and KETRA operational manuals were developed.



Operationalization of EMPRETEC Centre: Training infrastructure was established; training needs assessment conducted; recruitment of beneficiaries from the private sector was initiated; and training of programme trainers done.

Development of Micro small and Medium Enterprises (MSMEs): A total of 9,260 MSEs were capacity built leading to creation of 9,260 jobs. Further, 20 MSEs were trained under the digital literacy training; 30 Constituency Industrial Development Centre's (CIDCs) were operationalized creating 8,400 jobs; 23,887 youth received grants under the Kenya Youth Empowerment Opportunities Project (KYEOP) Project creating 47,774 jobs; 22,081 youth received Business Development Services (BDS) under the KYEOP project creating 22,081 job; 672 awardees received grants under the *Mbele na Biz* Business Plan Competition creating 1,344 jobs; and 1,109 MSEs benefited from market linkage opportunities creating 4,205 jobs.

Cooperative Development and Marketing: New equipment and machinery were acquired and installed to modernize New Kenya Co-operative Creameries (New KCC) plants. A total of 525 metric tons of powdered milk processed for reconstitution during dry periods.

Other achievements include: Performance audits of 280 co-operative societies conducted; automated records in 225 coffee factories; and 25 coffee factories refurbished to 90 percent. The Coffee Cherry Advance Revolving Fund (CCARF) was established with an initial seed capital of KSh. 3 Billion of which KSh. 43.7 Million was disbursed and recoveries of KSh. 19.1 Million made.

Phase one of rehabilitation works at Luanda Co-operative Union Ginnery was completed and a needs assessment, environmental impact assessment, design and cost estimates for PAVI Cotton Co-operative Ginnery done.

Establishment and operationalization of Commodities Exchange: The Kenya National Multi Commodities Exchange (KOMEX) was 90 percent complete. Achievements included development of the KOMEX Website and procurement of the Management Information System (MIS); acquisition of office space for the Exchange at the Kenya Institute for Business Training (KIBT) building in Parklands; and integration of settlement guarantee systems with the MIS.

Implementation of the Single Custom Territory: Over 60 percent of exports were handled. The implementation greatly contributed in decongesting the port of Mombasa and fast-tracking cargo clearance at Nairobi inland container depot. It has also attracted more use of the SGR thereby reducing the cost of doing business along the Northern Corridor.

4.4.2 Policy, Legal and Institutional Reforms

- i. The Micro and Small Enterprises Registration Regulations; Micro and Small Enterprises Fund Regulations; and Trade Development Bill were drafted
- ii. The Micro and Small Enterprises (Infrastructure) Regulations, 2020; Micro and Small Enterprises Tribunal Regulations, 2021 ('MSE Tribunal Regulations'); Micro and Small



- Enterprises Policy 2020 (Sessional Paper no 5 of 2020); Capital Markets (Commodity Markets) Regulations 2020; and National Co-operative Policy (NCP) 2020 were developed
- iii. The National MSE Harmonization and Coordination Strategy was prepared

4.4.3 Implementation Challenges

- i. Low levels of technology adoption in the Sub-sector and high cost of ICT infrastructure hinder access and usage of ICT;
- ii. Inadequate innovation and un-coordinated Research and Development (R&D) in the Sub-sector;
- iii. Limited access to market information leading to inability of MSEs and producers to access information on market for their products and services;
- iv. Inadequate legal framework; existing Co-operative legislations are yet to be aligned to the Constitution and the National Co-operative Policy, 2019; and
- v. Climate change with extreme and unpredictable weather patterns and consequent effects of pests and diseases has reduced agricultural productivity which is a cornerstone of co-operative development.

4.4.4 Lessons Learnt

- i. The influx of substandard, counterfeit and contra-band products into the local market reduces market share for locally manufactured goods.

4.4.5 Recommendations

- i. Review the existing Cooperatives legal framework to align it with the Constitution and the National Co-operative Policy, 2019;
- ii. Leverage on ICT to improve service provision to co-operative societies;
- iii. Establish platforms and initiatives that increase access to market information by the MSEs including digital platforms; and
- iv. Embrace climate smart technologies in mitigating impacts of climate change and other emerging issues.

4.5 Business Process Outsourcing

The Kenya Vision 2030 identified Business Process Outsourcing (BPO) as a priority sector under the Economic Pillar to create over 200,000 jobs and subsequently contribute to the growth of Kenya's economy. The Sector sought to increase access to online jobs in BPO/ITES and improve on e-Government services.

4.5.1 Sector Performance

Table 4.5 presents a summary on achievements under this Sector

**Table 4.5: Business Process Outsourcing sector MTP III achievements for 2020/21 FY**

MTP Outcome	Outcome Indicator	Achievement 2019/20	Target 2020/21	Achievement 2020/21	Remarks
Increased Access to online jobs in BPO	Number of BPO dedicated seats	-	18,000	20,000	The target was surpassed due to partnership with MasterCard
Increase Kenyan Exports	Cumulative number of youths trained and connected to online jobs (Millions)	1.3	1.5	1.45	There was continued support from strategic partners in addition to establishment of Constituency Innovation Hubs (CIH) for free Wi-Fi
	Number of incubation centres established and utilized	189	410	221	Lack of space for establishment of the centres
Improved e-Government services	Number of applications(E-Systems) used in Government	0	16	40	The target was surpassed due to automation of the MDA's services

Source: State Department for ICT and Innovation Annual Progress Report 2020/21 FY; Economic Survey 2021

The Sector established 32 Constituency Innovations Hubs (CIH) under the Ajira Programme which created more BPO online jobs. The Programme was supported by strategic partners such as RockeFeller, MasterCard and other private partners. Further, a total of 60,000 youths were trained on online jobs.

Flagship projects

Presidential Digital Talent: A total of 400 ICT graduates were recruited

Establishment of Konza Technopolis: Construction of Konza Complex Phase IA was completed and occupied; Konza horizontal infrastructure (Roads, Parks, Public Facilities, Streep Scape) was developed to 70 percent; Waste reclamation facility was established to 50 percent completion level; Konza Primary Data Centre was completed and operationalized while Secondary Data Centre Civil Works for the Building was completed and equipped to 70 percent; and Data Centre broadband connectivity was completed.



Official opening of the Konza Technopolis Development Authority (KoTDA) Headquarters

4.5.2 Policy, Legal and Institutional Reforms

- i. The Office of the Data Protection and Privacy was established and operationalized as per the requirements of the Data protection and Privacy Act, 2019.
- ii. Digital Economy Strategy was drafted and subjected to stakeholders' review.

4.5.3 Implementation Challenges

- i. Inadequate financial support for research and development; and
- ii. Vandalism of ICT infrastructure

4.5.4 Lessons Learnt

- i. Ajira Digital Project provides immense wealth and employment creation opportunities Countrywide through online jobs especially for the youth;
- ii. Knowledge transfer is critical in successful implementation and sustainability of ICT projects;
- iii. Public Private Partnership is key in the development of ICT infrastructure; and
- iv. Leverage on ICT improves the ease of doing business.

4.5.5 Recommendations

- i. Provide support for Research and Development; and
- ii. Amendment of laws on destruction and vandalism of Infrastructure.



4.6 Financial Services Outsourcing

The goal of the Financial Services Sector (FSS) under Kenya Vision 2030 is to create a vibrant and globally competitive Financial Sector that will promote high levels of savings and finance Kenya's investment needs.

4.6.1 Sector Performance

During the review period, the Sector made significant progress in use of financial services, it however had a decline in share of financial services and savings to GDP. Table 4.6 presents a summary of the Sector achievements.

Table 4.6: Financial Services sector MTP III achievements for 2020/21 FY

MTP Outcome	III Outcome Indicator	Achievement 2019/2020	Target 2020/21	Achievement 2020/21	Remarks
Increased access to financial services	Proportion of the population using formal financial services (Disaggregated by sex)	82.9	80	89 90 (M) 88(F)	There was increased uptake of Financial Technology through mobile phones and Bank Agents
Increased financial services contribution to GDP	Share Financial Services Sector (FSS) contribution to GDP	6.0	8.1	5.2	Performance decelerated due to COVID-19 Pandemic.
Increased gross national Savings	Saving as % of GDP	7.6	21.2	6.9	

Source: FinAccess 2019; Economic Survey 2020; BPO 2019

The increase in access to financial services was attributed to the use of mobile phones to access the financial services in Kenya. To expand on to other forms of financial services, the Sector put in place a regulatory framework and established a Credit Guarantee Scheme to enhance access to credit for Micro Small and Medium Enterprises (MSMEs).

Flagship Projects

Nairobi International Financial Centre (NIFC): The NIFC Authority Board was appointed in August 2020; an interim management team including an Acting CEO was appointed in February 2021; a three-year strategy & business plan was developed and NIFC General Regulations drafted. Engagement with key stakeholders /offices such as Business Registration Service, tax consultants, immigration Department were commenced to facilitate undertaking of the Authorities functions.

Digital Finance: Study of Digital Finance Initiatives was completed; Digital Finance Programme Management Unit was established; and a single national biometric identity standard with issuance of Huduma number and NEMIS was established.



Capital Markets Deepening: Collaborations with relevant stakeholders were sustained including Nairobi Coffee Exchange, KOMEX and CSRIC Taskforce towards development and alignment of trading rules with the commodity regulations.

4.6.2 Policy, Legal and Institutional Reforms

- i. Digital Finance Policy was developed and is awaiting Cabinet approval;
- ii. Public Finance Management Act Amendment Bill, 2020; Public Finance Management Act (Credit Guarantee scheme) Regulations 2020; Capital Markets (Commodity Markets) Regulations, 2020; and Capital Markets (Coffee Exchange) Regulations, 2020 were approved by the National Assembly
- iii. The National Insurance Policy was drafted; and
- iv. Retirement Benefits Act No. 3 of 1997, Section 37 was amended while 45A was repealed;

4.6.3 Implementation Challenges

- i. Delays in enactment of relevant regulations and related legal instruments to facilitate financial sector deepening;
- ii. Disparities in access to financial services in terms of gender, literacy levels, occupations, and regions in Kenya still persist;
- iii. Low uptake of other forms of financial services such as insurance, capital and pensions;
- iv. Inadequate legal framework to manage digital money lending platforms; and
- v. Limited access to international finance, low savings rate, high cost of finance and limited capital market

4.6.4 Lessons Learnt

The use of mobile services (Fin-Tech) has enabled inclusion of the majority population especially in marginalized groups to access financial services.

4.6.5 Recommendations

- i. Fast track enactment of relevant regulations and legal instruments;
- ii. Expand financial services options to reach excluded groups;
- iii. Advocate for uptake of other forms of financial services such as insurance, pension and declining popularity of Micro-finance institutions;
- iv. Establish laws to govern use of digital platforms especially the Mobile loans applications; and
- v. Formal financial services need to innovate products that target the 30.1 percent of the adult population who still rely on informal services and products while also managing the cost of access to these products.



4.7 Oil, Gas and Other Minerals

The Sector aims to explore, develop, produce and enhance commercialization of oil, gas and minerals towards socio-economic development of Kenya.

4.7.1 Sector Performance

Table 4.7 presents the sector's achievements for the review period.

Table 4.7: Oil, Gas and Minerals sector MTP III achievements for 2020/21 FY

MTP Outcome	Outcome Indicator	Achievements 2019/20 FY	Target 2020/21 FY	Achievement 2020/21 FY	Remarks
Increased oil production	Quantity of crude oil produced (Barrels of crude oil produced per Day -BPD)	215,032	400,000	0	The Early Oil Production Scheme Agreement (EOPSA) lapsed in Q4 of 2019/20 FY and the Project remained suspended throughout the 2020/21 FY.
Increased access to LPG	Proportion of households using Liquefied Petroleum Gas (LPG) (%)	30	50	30*	The figures remain as per the 2019 population census since the survey is yet to be done
	Total consumption of LPG (MT) – disaggregated by Rural or Urban	4,256,760	263,271	4,256,760*	

Source: Annual Progress Report, Ministry of Petroleum and Mining, 2020/21 FY

The Kenya Household Cooking Sector study indicates that nearly 3.7 Million households, or nearly 30 percent of the population (54 percent urban and 18 percent rural) use LPG and 2.4 Million households, 19 percent of households nationwide, consider it their primary fuel. The sector continued to improve access to LPG by low income earning households by regulating pricing for LPG and increasing pricing of kerosene.

Flagship Projects

Commercialization of the Oil and Gas Discoveries: A total of 31 blocks of Petroleum Exploration Blocks were marketed nationally and internationally through international oil and gas conferences.

Construction of Lokichar-Lamu Crude Oil Pipeline: Environmental and Social Impact Assessment (ESIA) report for the crude oil pipeline was submitted to NEMA. Land surveying and inquiries along the crude oil pipeline route; development of land acquisition and resettlement framework, and stakeholder engagements commenced.

National Liquid Petroleum Gas (LPG) Enhancement Project 'Mwananchi LPG' project: A total of 20,000 LPG cylinders were distributed against a target of 150,000.



Nationwide Airborne Geophysics Survey: 50 percent of the Country was mapped against a target of 75 percent.

Internationally Accredited Mineral Certification Laboratory: Laboratory civil works were completed, equipped and commissioned.

4.7.2 Implementation challenges

- i. Disharmony in National Government's and County Government's mining and mineral policies.
- ii. Land access/acquisition/compensation challenges and escalating cost of land for developing Oil, Gas and Mineral Resources fields;
- iii. Inadequate technical skills and specialized equipment, machines and facilities for exploration of minerals; and
- iv. Volatility of global crude oil and mineral prices.

4.7.3 Lessons Learnt

- i. Involvement of local professionals in all phases of project implementation ensures capacity building and knowledge transfer;
- ii. Compliance to environmental, occupational safety and health services concerns important for effective implementation of projects;
- iii. Value addition of minerals improves the Country's competitiveness; and
- iv. Availability of data through the acquisition of geo-scientific (Geological and Geophysical) data remains a critical process in determining the marketability of the oil blocks and promotion of investments.

4.7.4 Recommendations

- i. A mechanism to be put in place to address the land access/acquisition/compensation issues;
- ii. Build technical and institutional capacities and maintain it through developing strategic partnership to enhance local content and skills transfer; and
- iii. Establish risk mitigation measures for the expected yet volatile global oil and mineral prices.

4.8 Blue Economy

The Sector contributes to food and nutrition security, rural development, income earnings to a large population and earns the Country foreign exchange. In addition, the Sector contributes to the Country's Gross Domestic Product (GDP) and employs over two (2) Million people directly and indirectly along the fish value chain.

4.8.1 Sector Performance

Table 4.8. Presents a summary of the sector's achievements for the period under review

**Table 4.8: Blue Economy Sector MTP III achievements for 2020/21 FY**

MTP Outcome	III Outcome Indicator	Achievement 2019/20	Target 2020/21	Achievement 2020/21	Remarks
Increased contribution of Blue economy to GDP	Share of Blue Economy contribution to GDP	0.4	4.8	0.6	The achievement is from Fisheries Sub-sector only
Increased exports of fish and fish products	Value of Fish and Fish products Exported (Billion KSh)	2.7	2.1	2.8	There was increased demand for fish in Europe and China
Increased job creation in the Blue economy	Number of Seafarers working on board foreign ships	496	1313(M) 562(F)	200	This as an approximate figure, data is not available.

Source: *Economic Survey, 2021; and SDFA&BE, Outlook, 2020*

A number of interventions were put in place to realize growth of the Sector in general and specifically the achievement of an export value of KSh 2.8 Billion worth of fish and fish products in 2020. The sector continued to implement a Fish Safety and Quality Assurance Programme to ensure continued access of Kenyan fish and fish products to the export markets. The Programme entailed inspection of licensed fish processing establishments and regular sampling and analysis of fish and its habitat. Further, the European Union accepted a Residue Monitoring Plan for farmed fish from Kenya. Hence, opening Kenyan farmed fish to the largest global market.

Flagship Projects

Development of National Fleet: Development of the fleet stood at twenty-one (21) in line with requirement of the Indian Ocean Tuna Commission (IOTC).

Fish Production: Inland capture fisheries production was 104,076 Metric Tons (MT) which was 69.5 percent of Kenya's total fish production of 149,763 MT. The principal fishery was from Lake Victoria (86,659 MT). Hence, the lake accounted for 83.3 percent of the total inland capture fisheries and 57.9 percent of the Country's total annual fish production. This was achieved by continued promotion of water-efficient fish production technologies such as Aquaponics Systems; establishment of Aquaponics Systems in ten (10) learning institutions to entrench fish production technologies among the youth; and fish stock enhancement in Western Region Counties (Kakamega, Bungoma, Siaya, Kisii and Nyamira); Rift Valley Region Counties (Nakuru, Narok, Trans Nzoia and Uasin Gishu); Central Region Counties (Kirinyaga, Kiambu, Murang'a and Nyeri); and Eastern Region Counties (Meru, Tharaka Nithi, Makueni, Kitui, Machakos and Embu).

Fish Consumption: Six (6) "Eat More Fish" campaigns were undertaken

Development of Blue Economy Program Countrywide: A total of 100 fishing crew were trained on



safety at sea skills out of the targeted 440.

Fisheries and Maritime Infrastructure Development Programme: Construction of a Fish Market at Likoni was at 80 percent, while Fish Market at Malindi was at 70 percent completion level. Construction of Shimoni Mariculture Centre was at 60 percent; Construction of fish landing site at Kichwa Cha Kati was at 75 percent; Rehabilitation of Fish landing site at Vanga at 95 percent; fish landing site at Gazi at 87 percent; Fish landing site at Kibuyuni at 72 percent; and Fish landing site at Ngomeni at 90 percent. The renovation and rehabilitation works at the Liwatoni Fisheries Complex, Mombasa was 90 percent completed, construction of Liwatoni sea wall was 75 percent completed while rehabilitation and remodelling of Fish Processing Plant at Liwatoni Fisheries Complex in Mombasa were completed.

4.8.2 Policy, Legal and Institutional Reforms

In order to operationalize the Fisheries Management and Development Act (FMDA), 2016 the following regulations were developed and were awaiting Gazettement

- i Fisheries Management and Development (Marine) Regulations, 2020;
- ii Fisheries Management and Development (Inland) Regulations, 2020;
- iii Fisheries Management and Development (Recreational) Regulations, 2020; and
- iv Fisheries Management and Development (General) Regulations, 2020

4.8.3 Implementation Challenges

- i. Overfishing
- ii. Environmental degradation (water pollution, eutrophication and water hyacinth)
- iii. Conflicts with neighbouring states
- iv. Floods in the Lake Victoria region affected negatively fishing activities,
- v. Inadequate policy framework in the Blue Economy Sector.

4.8.4 Recommendations

- i. Strengthen the Beach Management Units to regulate fishing practices;
- ii. Enhance enforcement of Environmental Management and Compliance Act 1999;
- iii. Adopt modern fishing technologies;
- iv. Strengthen diplomatic relations with neighbouring states; and
- v. Coordinate and fast track the development of relevant policies, legal, regulatory, institutional framework and strategies/plans for fisheries industries and the Blue Economy.



CHAPTER FIVE





CHAPTER FIVE

SOCIAL PILLAR

5.0 Overview

The Social Pillar of the Kenya Vision 2030 seeks to increase investment in the people and build a just and cohesive society that enjoys equitable socio-economic development in a clean and secure environment. The Pillar covers six sectors namely: Education and Training; Health; Environment, Water and Sanitation; Population, Housing and Urban Development; Gender, Youths and Vulnerable Groups; and Sports, Culture and the Arts. It also integrates the needs of special interest groups including persons with disabilities and the marginalized communities.

5.1 Education and Training Sector

The Sector plays an important role in generating critical knowledge necessary to propel the Country to a middle-income knowledge-based economy as envisioned in the Kenya Vision 2030.

5.1.1 Sector Performance

The performance of the sector during the review period is presented in Table 5.1.



TABLE 5.1: EDUCATION AND TRAINING SECTOR MTP III OUTCOME ACHIEVEMENTS FOR 2020/21 FY

MTP III Outcome	Outcome Indicator(s)	Achievement 2019/20 FY	Target 2020/21 FY	Achievement 2020/21 FY	Remarks
Universal access to Basic Education	ECDE Gross Enrolment Rate (%)	109.4	81	110.6	The achievement is attributed to increased funding to ECDE level.
	Primary level Gross Enrolment Rate (%)	99.63	105.2	97.2	Affected by prolonged closure of schools due to COVID-19 pandemic.
	Primary to Secondary Transition Rates (%)	95	100	91	
	Secondary Gross Enrolment Rate (%)	71.2	80	71.8	
Improved adult and child numeracy and literacy Skills	Number enrolled in Adult and Continuing Education (ACE)	169,302	321,874	126,910	Affected by closure of learning institutions caused by COVID-19 Pandemic and acute shortage of instructors.
Enhanced quality of education	Teacher: Pupil Ratio at Basic Education	Public-1:39 Private-1:24	1:40	1:40	This is for public schools only.
	Teacher-student Ratio at Secondary Education level.	Public-1:29 Private-1:19	1:40	1:40	
	Textbook: Pupil Ratio (at Primary and Secondary)	1:1 Grades 1,2,3-1:0.96 Grade 7&8-1:1.17 Form 1-41:1.38	1:1	1: 097	
Increased access to	TVET Gross Enrolment	430,598 (T) 246,486(M)	301,667 (T) 166,762(M)	364,090 (T) 207,958 (M)	



MTP III Outcome	Outcome Indicator(s)	Achievement 2019/20 FY	Target 2020/21 FY	Achievement 2020/21 FY	Remarks
Technical and Vocational Education and Training (TVET)		184,112 (F)	134,905 (F)	156,132 (F)	
Improved gender equity in Education Sector	Gender parity index	0.97	0.8	0.97	This is due to affirmative action strategies and campaigns against early marriages.
Improved access to university education	Enrolment rate (%)	98	89	89	

Source: Ministry of Education Annual Progress Report, 2020/21 FY

The non-achievement of the targeted enrolment and transition rates in basic education level is attributed to increased school dropouts as a result of prolonged closure of schools during the COVID-19 pandemic. The observed reduction in gross enrolment at primary level affected upper primary (grade 5 and classes 6 to 8), with class 8 being the most affected. Total secondary school enrolment decreased by 5.7 percent from 3.5 Million in March 2020 to 3.3 Million when schools were reopened in March 2021.

Ninety seven percent of the public schools reported to have achieved a student book ratio of 1:1 in core subjects for forms 1 to 4. This was attained by providing 14,118,184 set books for English Literature and Fasihi ya Kiswahili to all the 8935 public secondary schools.

Out of the total TVET enrollment, National Polytechnics, Public Technical Vocational Centers (TVCs), Vocational Training Centres (VTCs) and Private Technical Vocational Centres accounted for 19.31 percent, 28.83 percent, 33.1 percent and 18.8 percent respectively. The achievement is attributed to efforts by the Sector to rebrand and reposition TVET through construction, equipping and advocacy campaigns.

A total of 143,140 students qualified for admission to the universities by attaining the entry point of C+ in the Kenya Certificate of Secondary Examination. Out of these, Kenya Universities and Colleges Central Placement Service placed 128,073 and 6,617 students into Bachelor's degree programmes and diploma courses respectively. The remaining 8,450 students opted to join other training institutions.

Flagship Projects

Basic Education Competency Based Curriculum (CBC): A total of 3,000 teachers were trained on remote learning through Kenya Education Cloud; Grade 5 and 6 teacher's handbook in 18 learning



areas was finalised; 365 electronic learning support materials were produced and disseminated; Learner's books and teacher's guides for Grade 5 were evaluated and approved; 28,000 learning materials comprising of curriculum designs support materials (both print and electronic) were disseminated; 3 curriculum designs for Kenya sign Language for Grades 7 to 9 and 3 sign language curriculum designs for regular learners for Grades 4 to 6 were developed; curriculum designs for braille for Grades 7 to 9 were developed; 11 curriculum designs for stage based pre-vocational level for learners with special needs were developed; and digital content for visually and hearing impaired learners was adopted.

Kenya National Qualification Framework (KNQF): A total of 10 National Qualifications Systems, Standards and Guidelines were developed; the Kenya National Learners Records Database (KNLRD) was established and implemented; 46 Qualification Awarding Institutions (QAIs), Education and Training providers, Professional Bodies, Quality Assurance and examination bodies were capacity built on their key roles in implementation of the KNQF; 100 guidelines to inform recognition, equation and verification of qualifications were developed; a web-based portal (KNREV) was developed and implemented; 1,318 National Qualifications and 9 Qualifications Awarding Institutions (QAIs) were assessed and registered; National Qualifications Management Information System (NAQMIS) was developed; and 108 institutions including QAIs, professional bodies, Education and Training providers were sensitised on the role of the KNQF.

Competency Based Education and Training (CBET) for TVET: A total of 295 CBET curricula were developed; 8,062 curriculum developers, assessors and verifiers were capacity built; 106 competence assessment centres were registered; assessment tools for 402 CBET courses and 220 mentoring tools for assessing the trainees while on industrial attachment were developed; 1,253 trainees in TVET institutions offering CBET programmes were assessed; certification process was digitalized; TVET Competency Based Education and Training (CBET) framework was finalised and adopted; and 2,069 trainers and industry practitioners were registered as assessors/verifiers for various competency based courses.

Laptops and Assistive Technology for Learners with Special Needs: Four Special Needs institutions namely, Karen Institute for Blind, Machakos institute for the Blind, St Joseph's Nyang'oma for the Deaf and Sikri for Deaf and Blind were equipped with the necessary tools. Hearing assistive devices were supplied to St. Joseph's Technical Institute for the Deaf-Nyang'oma to benefit 100 trainees.

Operationalize National Education Management Information System (NEMIS): The system was 90 percent complete and was used to generate data for disbursement of Free-Day Secondary Education (FDSE) funds, conduct Form 1 Selection, monitor transition of learners from primary to secondary schools and place 3 Million students under the National Health Insurance Fund (NHIF) Cover - the "EduAfya". The primary school component of NEMIS was 65 percent complete.

TVET Infrastructure and Equipping: A total of 265 departments in 192 operational institutions against a target of 135 institutions were equipped with modern state of the art training equipment. Four (4) out of the total institutions equipped were special technical training institutions.



Automotive Equipment at Kisii National Polytechnic



ICT Equipment at Karen Technical Training Institute

Students Financing: The capitation to TVET trainees grew from KSh. 2,673 Million in 2019/20 FY to KSh. 4,946 Million in the 2020/2021 FY benefiting a total of 197,742 students against a target of 45,294 students in 2020/21 FY. The Higher Education Loan Board (HELB) loan to TVET trainees dropped from KSh. 4,026 Million in 2019/20 FY to KSh. 2,555 Million in 2020/21 FY benefitting 65,813 trainees. 20,054 students received bursaries totalling KSh. 100 Million. The number of undergraduate students receiving loans was 229,727 amounting to KSh. 9.571 Billion. The number of undergraduate students who received bursaries in 2020/2021 FY was 18,974, amounting to KSh. 137 Million. HELB scholarships benefitted a total of 104 Masters and PhD students.

Establishment of Incubation Centres in Vocational Training Centres: Eleven incubation centres were established in 9 counties (Kiambu- Kamirithu; Lamu; Transzoia- Kitale; Narok; Kilifi- Mapimo, Vichengeni; Laikipia- Nanyuki; Nakuru; Elgeyo Markwet- Iten; Nyandarua-Milingine).

National Skills Development: National Skills Development Policy; draft National Skills Development Bill were developed. An automated National Skills Inventory was established and 36 counties were mapped for skills provision. A skills-gap survey tool was developed and circulated to all Huduma Centres in the Country for data collection from out of school unemployed youth.

5.1.2 Policy, Legal and Institutional Reforms

The following policies, bills and guidelines were developed:

- i) The County Vocational Education and Training Bill, 2020;
- ii) The Universities Amendment Bill, 2020;



- iii) National guidelines for school re-entry, 2020; and
- iv) Kenya Basic Education COVID-19 Emergency Response Plan, 2020.

5.1.3 Implementation Challenges

- i. Weak linkage between academia and the industry leading to skills mismatch and unemployment of educated youth;
- ii. Regional and gender disparities in access and participation to education and training;
- iii. Inadequate capacity to handle students with special needs;
- iv. Insufficient reliable and consistent data on private sector participation and higher education student financing.

5.1.4 Recommendations

- i. Conduct frequent tracer studies to inform demand for skills in the labour market and enable the sector produce youth with the right skills and attitudes for gainful employment and self-reliance;
- ii. Implement targeted interventions to address regional, special need and gender disparities across all levels of education;
- iii. Embrace the use of a versatile Learning Management System to offer an alternate media for instructing the trainees.
- iv. Put in place robust Centralized Integrated Data Management Information systems to generate information for policy and decision-making.

5.2 Health Sector

The Government is committed to implementing health system reforms to accelerate achievement of Universal Health Coverage (UHC) as a means of realizing “right to health” as enshrined in the Constitution and the Big “Four” Agenda.

5.2.1 Sector Performance

The performance of the Health sector during the review period is presented in Table 5.2



TABLE 5.2: HEALTH SECTOR MTP III ACHIEVEMENTS FOR 2020/21 FY

MTP III Outcome	Outcome Indicator(s)	Achievement 2019/20 FY	Target 2020/21 FY	Achievement 2020/21 FY	Remarks
Reduced child Mortality	Under-5 mortality rate per 1 000 live births	52	45	43	Use of community health workers in management of diarrhoea in under-five children
	Infant mortality rate per 1,000 live births	39	30	32	
	Neo-natal mortality rate	22	20	21	Fewer healthcare services were sought during COVID-19 Pandemic
	Proportion of under 1-year old children fully immunized (%)	80	88	82.5	
	DPT/Hib/Heb (Penta3) Coverage (%)	81	90	85.7	Due to vaccine stock out overtime, inadequate community sensitization and health care workers unrest.
Improved maternal and neonatal health	Maternal Mortality rate per 100,000 live births	366	300	342	The 2019/20 FY figure as at 2014 KDHS. 2020/21 FY estimate as at 2017 by Inter-agency working Group (MMEIG) Estimates (2019).
	Maternal mortality rate in health facilities per 100,000 deliveries	92	79	108	Due to late referrals and inadequate blood supply for transfusion.



MTP III Outcome	Outcome Indicator(s)	Achievement 2019/20 FY	Target 2020/21 FY	Achievement 2020/21 FY	Remarks
	Proportion of births attended by skilled health personnel (%)	73	78	72.9	Attributed to the measures put in place to contain COVID-19 Pandemic restrictions and fear by expectant mothers to visit Health Care facilities.
	4th Antenatal Care (ANC) coverage (%)	50.4	60	52.2	Due to COVID-19 Pandemic containment measures i.e. restriction of movements
	Modern Contraceptive Prevalence Rate (mCPR) among married women	46	57.6	49	Due to inadequate funding to guarantee the availability of family planning commodities for women of reproductive age
	Unmet need for family planning	13.8	13.4	13.8	Figures based on 2014 KDHS.
Reduced malaria and TB incidences	Malaria incidence rate per 1,000 population	93	67	79	Due to delay in implementation of the Mass Net campaign occasioned by COVID-19 pandemic.
	TB incidence per 100,000 population	267	150	259	Attributed to an increase in TB drug resistant cases and COVID-19 pandemic restrictions.
	TB treatment success rate (%)	85	94	84	
Increased access to universal healthcare	Doctors per 10,000 population	1.7	3	2.9	Due to counties employing more doctors.
	Nurses per 10,000 population	12.1	13	12.6	Attributed to the delay and postponement of licensure examinations which affected new registrations.



Source: Ministry of Health Annual Progress Report, 2020/21 FY

Although the achievement of the targets was largely affected by COVID-19 pandemic, there was progress in achievement of maternal and child health compared to 2019/20 FY. This was attributed to continued implementation of the Linda Mama Programme and Beyond Zero campaign. The doctor to population ratio at 2.9 and Nurse to population ratio at 12.6 was below the WHO requirement of 10 doctors per 10,000 population and 30 nurses per 10,000 population, respectively.

Flagship Projects

Medical Tourism Programme:

Establishing East Africa Kidney Institute (EAKI): Construction works for the Institute commenced to 7.5 percent completion level.

Modernization of National Referral Hospitals: Achievements included: installation of Kitchen Cold-rooms; construction and equipping of Bio-safety Laboratory (BSL II) and Isolation Centre/Wards; installation of water tanks; commissioning of 2x1000 LPM Oxygen Plants and Medical gas Piping to Shoe4Africa Children's Hospital; equipping of Isolation Centre at Moi Teaching and Referral Hospital (MTRH).



MTRH WB Regional BSL II Laboratory



Installed ICU equipment at Isolation unit at MTRH

Regional Comprehensive Cancer Centers established: Construction of cancer centres in Garissa, Mombasa and Nakuru (Phase 1) was completed.

Digital Health Programme (Public Health facilities digitized): Enterprise Resource Planning (ERP) was rolled out to thirty-seven campuses and seventy-one campuses were migrated to a new internet service provider (ISP).

Human Resource for Health Programme: A total of 7,510 health professionals were trained in various specialties. Among them, 332 were from specialized and sub-specialized health professions.



5.2.2 Policy, Legal and Institutional Reforms

The Kenya Emergency Medical Care Policy 2020-2030 and Kenya Community Health Strategy 2020-2025 were finalised.

5.2.3 Implementation Challenges

- i. Low awareness of the NHIF benefit package among the beneficiaries;
- ii. Low uptake of NHIF by the private and faith-based facilities;
- iii. Lack of proper documentation especially on minors, refugees, marginalized communities which delays the process of NHIF claims by the healthcare providers;
- iv. Inadequate emergency services & referral protocols;
- v. Cultural practices leading to under-utilization of existing antenatal services; and
- vi. Delay in payments of premiums to NHIF affects disbursements to service providers.

5.2.4 Recommendations

- i. Create awareness of the NHIF benefit package and the digital registration among the beneficiaries and health care providers;
- ii. Ensure proper documentation especially with minors, refugees, marginalized communities to avert delays in the claiming process;
- iii. Institute mechanisms to address access to benefits for other members of the household;
- iv. Strengthen the rapid response system to improve emergency services & referral protocols; and
- v. Create awareness on the utilization of the existing antenatal services;.

5.3 Environment, Water, Sanitation and Regional Development Sector

The Sector plays a critical role in Kenya's economy by securing, stewarding and sustaining the environment and natural capital. It contributes 3.3 percent to the Gross Domestic Product (GDP) and has a great potential in contributing to the attainment of the Kenya Vision 2030, Africa Agenda 2063 and Sustainable Development Goals (SDGs).

5.3.1 Sector Performance

The performance of the Sector is presented in Table 5.3



TABLE 5.3: ENVIRONMENT, WATER, SANITATION AND IRRIGATION SECTOR MTP III ACHIEVEMENTS FOR 2020/21 FY

MTP Outcome	Outcome Indicator(s)	Achievement 2019/20 FY	Target 2020/21 FY	Achievement 2020/21 FY	Remarks
Improved sustainability of water-related ecosystems including mountains, forests, wetlands, rivers, aquifers and lakes	Proportion of land area under forest cover	7.4	7.62	7.4	The figure is a 2018 estimate. A comprehensive National Forest Resources Assessment is to be finalized in the 2021/2022 FY
	Area of mountain ecosystems sustainably conserved and managed (Ha)	606,558.36	774,000	906,135	Due to enhanced synergies between KWTa and KFS.
	Proportion of degraded landscapes restored (%)	30	50	50	
	Area of inland freshwater ecosystems and wetlands protected (Ha)	1,034	1000	10	The indicator lacks up to date data.
	Area of forested watersheds protected and conserved (Ha)	60,645	70,000	142,101	Through Joint Enforcement Unit (JEU) to contain destruction, encroachment and illegal extraction of water towers resources.
	Area of land covered by invasive species managed (Ha)	5386.8	8,000	5892.4	
Improved access to clean and safe water	Proportion of National population using basic drinking water services	62.9	72	65.5	The slow progress is attributed to low household connections to already completed projects.
	Proportion of urban population with access to clean and safe water	72.2	78	74	
	Proportion of rural population with access to clean and safe water	55.6	68	61.5	
	Annual per capita water	528.14	859	450	The Country has limited natural renewable water resources which



MTP Outcome	III Outcome Indicator(s)	Achievement 2019/20 FY	Target 2020/21 FY	Achievement 2020/21 FY	Remarks
	availability (m3)				has been overexploited as population increases.
	Proportion of bodies of water with good ambient water quality	35.5	45	87	
Improved water use efficiency	Proportion of Non-Revenue Water (NRW)	43	37	41	Small water schemes have inadequate capacity to manage NRW.
	Level of water stress: freshwater withdrawal as a proportion of available freshwater resources	33.24	20	33.24	
	Change in water-use efficiency over time (USD/M3)	9.138	15	11	
Increased water harvesting and storage capacity	Water storage capacity per capita (m ³ /capita)	4	5	4.8	
Increased access to sanitation	Percentage of population using basic sanitation services	82.5	78	82.5	Achieved through rehabilitation of sewerage schemes in major towns and basic sanitation in rural areas.
	Percentage of population practicing open defecation	7.4	7	7.4	
	Proportion of Urban population with access to sewerage connection	26	34	27.7	Most projects have a completion date of 2022.

Source: Ministry of Environment and Forestry Annual Progress Report for 2020/21 FY; Ministry of Water, Sanitation and Irrigation Annual Progress Report for 2020/21 FY

The improvement in proportion of population with access to water from 62 percent in 2019/20 FY to 65.5 percent in 2020/21 FY was as a result of Rapid Result Initiative (RRI) in which a total of 29 water and sanitation projects were completed, benefiting 1.86 Million people. A total of 72,000 households



were connected to water supply under Last Mile Connectivity Programme. The Sector drilled 193 boreholes and installed water service infrastructure for Independent Community Projects within Nairobi Metropolitan Area targeting informal settlements to help contain the spread of COVID-19 pandemic and benefitting 620,000 people.



Residents fetching water at one of the COVID-19 response project in KMC Athi River primary site

Flagship projects

Strengthening Environmental Governance: The Sector initiated review of: Environmental Management and Coordination (EMCA) (Amendment) Act 2015; Climate Change (Code of Conduct and Conduct for Doing Business) regulations, 2021; National Forestry Policy, 2020; and the Forest Conservation and Management Act, 2016.

Waste Management and Pollution Control: The Sector identified 23 point sources of pollution; conducted quarterly air quality monitoring in Nairobi, Mombasa and Kisumu; reviewed 4,633 environmental audit reports for compliance with environmental regulations and standards; updated map of pollution sources in Nairobi river basin, Eldoret and Kisumu and implemented pollution control strategy for four major areas (Nairobi, Mombasa, Eldoret and Kisumu); mapped dumpsites in four major urban areas (Nairobi, Mombasa, Kisumu, Eldoret); cleared 548 applications of industrial packaging plastics; undertook 463 Enforcement actions across the 47 Counties on the ban on plastic



carrier bags and sensitized 43 Counties on plastic pollution control; and conducted public awareness on plastic waste management and 4 major trainings on plastic waste management.

Rehabilitation and Protection of Water Towers: The Sector secured and protected 142,101 Ha of water towers through the Joint Enforcement Unit, rehabilitated 391 Ha of degraded landscapes and established 38 Ha of bamboo stock and propagated 100,000 bamboo seedlings.

Modernization of Meteorological Services: Three (3) Airport Weather Observing System (AWOS) with intelligent sensors were installed in Kisumu, Eldoret and Nairobi. Upgrading and maintenance of Nzoia basin hydro Automatic Weather Stations (AWS) and water level gauges was completed.

Forest Conservation and Management: The Sector established: 12,324 Ha of farm forests; 805 Ha of commercial farm forests; and 10 Ha of woodlots forests. In addition, 100.3 Million tree seedlings were produced and distributed for planting; 2.6 Million Ha of existing closed canopy forests were protected; 433.53 Ha of Bamboo Forest were developed and gazetted; and 5,474 Ha of degraded forests were rehabilitated.

Forest Research and Development: Two new forest products (Cape chestnut lotion and *Ximenia americana* soap) were developed; 57,393 planting materials of difficult to propagate indigenous species were raised; method of managing 3 invasive species (*Cestrum*, *Dodder* and *Ipomoea imbatata*) was developed; and 24 research technologies were developed and disseminated; and 45,472 Kg of tree seeds were collected.

Promotion and Piloting of Green Energy: One Green Renewable Energy Technology was developed.

The Plastic Bags Initiative: Achieved 56.7 percent compliance on the total ban of plastic bags.

Water Harvesting and Storage Programme: Six large dams were at various stages of construction: Thwake dam (55 percent), Mwache dam (5 percent- at Resettlement Action Plan (RAP) and contractor mobilization), Muruny-Siyoi dam (61 percent); Karemuni dam (45 percent); Ruiru II dam (5 percent- at RAP); Bunyunyu dam (5 percent- at RAP and preliminary works). In addition, 100 colonial dams were desilted and 60 small dams/pans constructed.

Water Resource Management: Achievements during the review period included: installation of plastic tanks in public institutions; spring protection; construction of water pans and common water intake; and construction/rehabilitation and operationalization of 86 water resources monitoring stations.

Urban Water Supply: The Sector completed construction of Kisumu water supply, Gigiri-Kabete water supply, Baricho water supply expansion, and Wote water supply.

Rural Water Supply: A total of 37 water projects and 42 sanitation projects were implemented benefiting 83,069 people. In addition, 71 boreholes were drilled in public schools.

Water Research Programme: The Water Resource Centre at Kenya Water Institute (KEWI) was completed and operationalized.



Provision of Water to Underserved Areas Including Informal Settlements: The Sector implemented 4 water projects and 15 sanitation projects in urban areas benefiting an additional 384,139 people. In addition, 193 boreholes were drilled within Nairobi Metropolitan areas.

Land Reclamation: A total of 400 acres of degraded land and ecosystems were reclaimed/rehabilitated.

Wildlife Conservation and Management: One wildlife corridor (the South East Corridor of Nairobi National Park) was secured and 2000 acres were acquired for wildlife conservation. 43.7 Km of fence were constructed and 56.5 Km were rehabilitated against a target of 600 Km in the move to secure parks.

5.3.2 Policy, Legal and Institutional Reforms

During the review period, the sector finalised the following policies:

- i. Kenya National Chemicals Policy, 2020;
- ii. National Sustainable Waste Management Policy, 2021; and
- iii. Sessional Paper No. 1 of 2021 on The National Water Policy.

5.3.3 Implementation Challenges

- i. Delays in land acquisition/ compensation for large infrastructure projects;
- ii. Continued poor disposal of waste leading to unclean and insecure environment;
- iii. Persistent human wildlife conflicts; and
- iv. Inadequate coordination in conservation efforts between Government and private sector.

5.3.4 Lessons Learnt

- i. Collaboration between the National and County Governments is essential for sustainable water resource, sanitation, land reclamation and irrigation management;
- ii. Community engagement is key in winning support in implementing projects related to securing corridors and construction of fences.

5.3.5 Recommendations

- i. Early acquisition of land for large infrastructure projects;
- ii. Strengthen enforcement of policies on waste management;
- iii. Secure all human wildlife conflict hotspots; and
- iv. Strengthen collaborations with key partners including communities and other Government agencies to enhance conservation efforts.

5.4 Population, Urbanization and Housing Sector

The Sector seeks to ensure quality population through implementation of the Population Policy for National Development and provision of adequate and access to decent housing for sustainable development.

5.4.1 Sector Performance

Achievements of the Sector for the review period are presented in Table 5.4



TABLE 5.4: POPULATION, URBANIZATION AND HOUSING SECTOR MTP III ACHIEVEMENTS FOR 2020/21 FY

MTP Outcome	Outcome Indicator (s)	Achievement 2019/20 FY	Target 2020/21 FY	Achievement 2020/21 FY	Remarks
Reduced population growth rate	Annual Population Growth rate	2.2	2.4	2.2	Figure as per 2019 Kenya Population and Housing Census
	Total Fertility Rate	3.4	3.6	3.4	
	Life Expectancy at birth (Years)	67	62.7	67	
Increased access to decent and affordable housing	Number of Housing units constructed annually	1250	102,000	1402	Due to suspension of implementation of Housing Levy Fund; Long process for AG's approval; and Lengthy land acquisition process.

Source: NCPD Annual Progress Report, 2020/21 FY; State Department for Housing and Urban Development Annual Progress Reports, 2020/21 FY

During the review period, the Annual State of Kenya Population Report on Women Empowerment, Kenya Demographic Dividend Roadmap (2020-2030), advisory papers on internal migration and population structure among others were prepared in order to provide evidence on population and development. In addition, sixty-nine advocacy and sensitization forums on population and development issues were undertaken across the Country to help mobilize support, increase knowledge and improve attitudes and practices on population programmes and activities.

The achievement realised under affordable housing was as follows: 882 units in Park Road, Nairobi were completed; 220 units were completed in Embu under the Civil Servants Housing Scheme; 300 units for disciplined forces/services were completed (60 units each in Narok Police Station, Eldama Ravine Police Station, Border patrol unit in Kitui, Kakamega Prisons and Kapenguria Prisons).

Flagship Projects

Research and Development on Appropriate Building Materials and Technologies (ABMT): Eight ABMT centres were constructed in Pokot South, Konoin, Kajiado South, Ugenya, Bahati, Mandera West, Kieni and Kesses constituencies. In addition, 3,500 new trainees against a target of 4,000 were trained on the making and utilization of interlocking soil blocks in support of rural housing. Two locally manufactured hydraulic making machines were purchased, one semi hydraulic (*tofali*) and one improved manual machine.



Provision of physical and Social Infrastructure in Slums and Informal Settlements in Selected Urban Areas: The following infrastructure projects were completed: construction of 6.5 Km of sewer line in Mavoko; 3.1Km sewer line in Mworoga; and installation of high mast security lighting in various counties (6 in Kiambu; 6 in Tharaka Nithi; 15 in Meru; 9 in Kakamega; 6 in Bungoma; 9 in Nairobi; 6 in Kajiado; and 6 in Taita Taveta).

Urban Renewal Programmes for selected towns: Twelve markets were completed through the Economic Stimulus Programme (ESP): Miruka in Nyamira, Muthithi in Muranga, Banisa in Mandera, Bute in Wajir, Sigor in West Pokot, Siakago in Embu, Ishiara in Embu, Kirenga in Kiambu, Ngong in Kajiado, Gikomba in Nairobi, Chaka Phase II in Nyeri and Majengo in Vihiga.

Development of Urban Storm Water Infrastructure facilities in selected urban areas: The Sector constructed 6.8 Km of storm water drainage in Narok Town and two foot bridges connecting Gikomba Market and Ladhies Road and new Pumwani Road Bridge connecting Gikomba and Machakos Country bus station.

Other Programmes and Projects

Development of the State of Kenya Population Annual Report 2021: The report was developed, published and launched during the review period.

Partnerships on Population and Development: The Sector strengthened partnerships with United Nations Population Fund (UNFPA), The Challenge Initiative- Tupange (TCI), Population Reference Bureau (PRB) as well as Population Studies and Research Institute, University of Nairobi. These partnerships have facilitated implementation of population and development programmes/projects in the Country.

Demographic Dividend Roadmap: The review of the roadmap was undertaken in an effort to steer the Country towards the achievement of the Demographic Dividends.

5.4.2 Implementation Challenges

- i. The shift of donor priorities resulted into less funding of population activities including family planning and reproductive health programmes;
- ii. Socio-cultural barriers, myths & misconceptions regarding family planning and reproductive health issues in some communities;
- iii. Inadequate funding for delivery of the Affordable Housing Program due to suspension of the housing levy fund; and
- iv. Low private sector participation in provision of affordable housing units.

5.4.3 Recommendations

- i. Increase advocacy and awareness creation on population and development issues for adoption of small family norm and increased demand for family planning in affected communities;
- ii. Strengthen Kenya Mortgage Refinancing Company (KMRC) to enhance affordability of mortgages; and



- iii. Encourage participation of devolved Government and private sector in actualizing housing delivery.

5.5 Gender, Youth and Vulnerable Groups

The Sector plays a strategic role in the Country's transformation, socio-economic development through implementation of special programmes for the development of the Arid and Semi-Arid Lands (ASAL), promotion of equality and equity, empowerment of women and vulnerable groups, and prioritization of implementation of youth policies and interventions.

5.5.1 Sector Performance

The Sector's achievements during the review period are presented in Table 5.5.



TABLE 5.5: GENDER, YOUTHS AND VULNERABLE GROUPS SECTOR MTP III ACHIEVEMENTS FOR 2020/21 FY

MTP III OUTCOME	Outcome Indicator (s)	Achievement 2019/20 FY	Target 2020/21 FY	Achievement 2020/21 FY	Remarks
Reduced Gender Disparities	Gender Gap Index	0.671	0.7156	0.692	Majorly due to low economic participation and opportunities for women.
	Proportion of seats held by women in the national parliament and local Government	21.8%(N) 31.6%(C)	33.3% (N) 34% (C)	21.8% (N) 33.6% (C)	The county proportion improved due to most parties nominating women in positions that fell vacant.
Reduced Prevalence of Gender Based Violence	% of women of age 15-49 who have experienced physical violence since age 15	45	41	45	The achievement is as per the 2014 KDHS
Reduced Prevalence of FGM	% of girls and women age 15-49 who have undergone FGM	21	14	21	
Improved well-being of vulnerable groups	Proportion of vulnerable population covered by social protection systems	13.7	52	13.7	This was due to the improvement of the tool used in the 2019 census as compared to the tool used in 2009 census hence this brought more vulnerable persons on board.
	Proportion of National Safety Net beneficiaries enrolled in NHIF Cover	8.3	38	2.8	

Source: State Departments for Gender, Youth and Social Protection Annual Progress Reports 2020/21 FY

Flagship Projects

Affirmative Action Funds:

Women Enterprise Fund (WEF): A total of KSh. 3.06 Billion loans were disbursed to 11,361 Self Help Groups (SHGs) benefiting 124,973 women. Further, 148,446 women were trained on entrepreneurship and value addition; 1,483 women were supported on product certification, formation of business clubs/exchange programmes, exhibitions skills and online marketing. The total loans disbursed was an improvement as compared to KSh. 2.71 Billion disbursed in 2019/2020 FY.



Uwezo Fund: A total of KSh. 0.65 Billion was disbursed to 101,842 beneficiaries, an increase of 47,918 beneficiaries from the 2019/20 FY.

National Government Affirmative Action Fund: During the review period, a total of KSh. 1.6 Billion was disbursed to 47 Counties to support the vulnerable groups. KSh. 336 Million of the total disbursement was used for scholarship and bursaries. This benefited 40,371 students in secondary schools, Tertiary institutions and Universities. KSh. 570 Million was disbursed for Women Economic programmes and Value addition benefitting 3,509 groups of whom 29,977 were men, 78,880 Women and 2,599 were People with Disabilities (PWDs). KSh. 727 Million was disbursed to County projects, Civic education and Administration.

Youth Enterprise Development Fund (YEDF): A total of KSh. 580.7 Million was disbursed to 44,764 youths for business start-ups in form of loans. 15000 youths were sensitized on Access to Government Procurement Opportunities (AGPO).

Prevention and Response to Gender Based Violence (GBV): Four GBV rescue centres were established in Makueni, Kilifi, Bungoma and Nairobi. 240 duty bearers across the 47 counties were trained on GBV and 1000 GBV survivors were supported.

Eradication of Female Genital Mutilation (FGM): A total of 7,515 key stakeholders were sensitised on dangers and adverse effects on FGM. This was as a result of the presidential directive and additional funding provided to end FGM by 2022.

Gender Mainstreaming: Five hundred officers were trained on gender mainstreaming in public service and 91 women were trained at Kenya School of Government (KSG) on Women in Leadership Course.

Youth Empowerment Centres (YECs): A total of 18 YECs were established/operationalised.

Kenya Youth Employment and Opportunities Programme (KYEOP): A total of 36,283 youth were trained in life skills and core business skills.

National Youth Service (NYS) Transformation Programme: A total of 15,546 youths were recruited and trained in paramilitary and 18,746 youth were engaged in National Service. A total of 39,524 youths were enrolled in Technical and Vocational Training to gain skills in various trades. Further, 250 youth were employed in the Textile and Garment Technology Institute.

National Safety Net (Inua Jamii): Cash Transfers were provided to: 763,670 Older Persons (OP); 294,345 Orphans and Vulnerable Children (OVCs); and 34,536 Persons With Severe Disabilities (PWSDs). Further, 675 street families were rehabilitated and reintegrated into the communities. 2,164 street children and youth were supported through rehabilitation, education and training.

Disability Mainstreaming: The following were the achievements during the review period: provided 251 tools of trade (toolkit) to Vocational Rehabilitation Centres (VRC) graduates with disabilities for self-employment; supported 21 learning and social care institutions with PWDs with infrastructure and equipment; provided economic empowerment support and entrepreneurship training to 251 PWDs Self Help Groups for income generating activities; provided sunscreen lotions to 3,800 People with



Albinism (PWA) and assisting devices to 2,490 needy persons; provided support to 3,162 learners with disabilities out of whom 329 were supported under the KPC *inuka* scholarship programme; supported 25 PWAs for cancer treatment; and conducted 65 disability accessibility audits on MDCAs.

Other Programmes and Projects

Child Protection Programmes:

Child Community Support Services: 22,000 OVCs from poor households in Public Boarding Secondary Schools were provided Presidential Bursary; 351 children with no families were placed under foster care; 3,913 children were rescued and reunited with their families; 6,812 children in conflict with the law were provided with safe custody in remand homes; 7,508 children were rehabilitated and trained on various skills; 65 persons were rehabilitated from human trafficking; 50 duty bearers were trained on human trafficking; 230 stakeholders were sensitized on human trafficking in various counties; and 38,670 families and children were provided with one or more psychological support services (food, clothing, shelter, counselling, family mediation) for quality care; and 2,097 Children in distress were provided with rescue services.

Child Care, Protection and Rehabilitation: A total of 11,041 children were rescued and reintegrated back to families /communities; 19,368 OVCs in emergencies were reached and provided with psychological support; 12,301 households were provided with nutrition-sensitive cash; and 1,800 beneficiaries were sensitized on parenting skills and child protection.

Community Participation in Social-Economic Development: A total of 52,810 SHGs and Community Based Organizations (CBOs) were mobilized and registered; 52,810 SHGs and CBOs were capacity built and linked to Micro Finance Institutions (MFIs); 2,151 Lay/Volunteer Counsellors were enlisted to provide psychosocial support to families at Counties; 309 skilled PWDs were provided with tools of trade for self-reliance; and 1,514 Persons With Disabilities (PWDs) were trained in Vocational Rehabilitation Centres.

5.5.2 Policy, Legal and Institutional Reforms

- i. Revised WEF Credit Policy, 2020;
- ii. Reviewed the National Policy for Prevention and Response to GBV, 2014;
- iii. Reviewed the Children Act 2001 to align it to the Constitution; and
- iv. Developed the Children Bill 2020 which is awaiting Cabinet approval.

5.5.3 Implementation Challenges

- i. Evolving nature of FGM practices through reduction of age at which girls face the cut, secrecy, medicalization and cross border FGM;
- ii. Difficulty in reaching sections of target populations especially in remote areas due to inaccessible roads and insecurity;
- iii. The rising number of vulnerable groups;
- iv. Lengthy and costly disability assessment process, cultural barriers, vastness and difficult terrains;



- v. Inadequate Government run shelter houses for victims of trafficking and rescued street persons; and
- vi. Inadequate skills and capacity to deal with issues child abuse and exploitation coupled with evolving forms of child abuse e.g. online child abuse.

5.5.4 Lessons Learnt

- i. Use of technology is critical in enhancing service delivery and operational efficiency;
- ii. Decentralization of services to regions and constituencies enhances service delivery, and turnaround time; and
- iii. Maintaining public awareness on social protection programmes requires continuous investment in communication strategies.

5.5.5 Recommendations

- i. Undertake regular research to inform interventions aimed at addressing persistent harmful practices and emerging trends;
- ii. Conduct stakeholder mapping and establish partnerships with organizations working in insecure and hard to reach counties to implement Anti-FGM programmes;
- iii. Fastrack the gazettelement of reviewed Regulations on Registration and Tax Exemption 2020;
- iv. Enhance technical and financial capacity to handle increasing demand for social protection services such as online child sexual exploitation through training; and
- v. Establish more Government shelter houses for victims of trafficking and rescued street persons.

5.6 Sports, Culture and the Arts Sector

The Sector seeks to “promote and develop Sports, Culture, Creative and Performing Arts, and management and preservation of heritage, Public records and Archives”. It contributes to: development and realization of talents, creation of employment opportunities, promotion of tourism through various sporting activities; preservation of Kenya’s music and cultural heritage.

5.6.1 Sector Performance

Table 5.6 presents the Sector performance during the review period.



Table 5.6: SPORTS, CULTURE AND THE ARTS SECTOR MTP III ACHIEVEMENTS FOR 2020/21 FY

MTP Outcome	Outcome Indicator (s)	Achievement 2019/20 FY	Target 2020/21 FY	Achievement 2020/21 FY	Remarks
Improved participation in sports activities	Number of teams presented in sports championships	44	70	46	Target was not achieved due to closure and postponement of sporting activities locally and internationally as a result of COVID-19 Pandemic.
	Number of international sports competitions hosted	6	15	9	
	Number of youth recruited in various sports discipline	2665	2,500	1875	
Preserved national heritage and culture	Number of cultural events held	26	18	4	Under-achievement caused by COVID-19 Pandemic restrictions on social gatherings
	Number of national heritage sites preserved	1	6	3	Under-achievement was as a result of onset of COVID-19 Pandemic
Increased access to library and information services	Number of persons with access to libraries and information services	6,900,000	16,685,816	4,080,090	Under-achievement was attributed partly to closure of libraries as a result of containment measures of COVID-19 Pandemic.

Source: State Departments for Sports, and Culture and Heritage Annual Progress Reports for 2020/21 FY

The international sports competitions hosted were: the World Safari Rally 2021 Championship; North East Africa Qualifiers for CAN 2021 Hockey Championships; 2021 Magical Kenya Golf Championship; African Championship Olympic & Commonwealth Qualification Weightlifting Championship; 2021 AFCON Qualifiers; 2020 Continental Tour Athletics Championships-Kipchoge Classic; Mombasa open Tong Li Moo Do International Martial Arts Championship; and FIFA friendly matches.

The following sports programs for Sports Persons with Disability were implemented: World Para Athletics Championships; Para Shooting Championship; Para Powerlifting World Cup Manchester; Para Badminton; World Para Athletics Grand Prix; Wheelchair Tennis Premier International Event-



World Cup Qualifiers Kenya Para Rowing- Paralympics qualifiers team; and Para Powerlifting Olympic Qualifier.

The national heritage sites preserved during the review period were: Kenyatta Houses at Lokitaung and Maralal and phase II of Fort Jesus Museum.

Flagship Projects

Build and Rehabilitate Sports Stadia: Jomo Kenyatta International Stadium in Kisumu County-phase 1 was completed and commissioned; Posta Jamhuri Sports Ground in Nairobi-Phase 1 was 98 percent complete; Kirigiti Stadium in Kiambu County Phase 1 was 67 percent complete; and Wanguru Stadium in Kirinyaga County was 85 percent complete;



Jomo Kenyatta International Stadium Kisumu

Infrastructure upgrade for Kinoru and Chuka stadia in Meru County was completed. Other stadia were at different levels of completion as follows; Ruringu in Nyeri County (60 percent), Wote in Makueni County (40 percent), Marsabit in Marsabit County (78 percent), Kamariny in Elgeyo Marakwet County (40 percent), Karatu in Kiambu County (42 percent), Kipchoge Keino in Uasin Gishu County phase 1 (70 percent) and Kipchoge Keino in Uasin Gishu County phase II (55 percent).



Kenya Academy of Sports: Phase 1 which comprises a hostel building and playgrounds was 98 percent complete.



Kenya Academy of Sports, Kasarani

Anti-Doping Promotion: 6,024 persons were sensitized on anti-doping and a total of 892 intelligence-based tests conducted.

Natural Product Industry (NPI) Initiative: Feasibility study was undertaken for commercialization of aloe vera.

Other Programmes and Projects

Sports, Arts and Social Development Fund (SASDF): A total of KSh. 5.7 Billion was disbursed as follows: KSh. 2.1 Billion for Sports infrastructure; KSh. 3.43 Billion for participation in local and international sports events; KSh. 174 Million for completion of the Kenya Academy of Sports hostel building; and KSh. 0.486 Billion for promotion and development of cultural, creative and artistic activities and facilities.

5.6.2 Policy, Legal and Institutional Reforms

- i. Reviewed and finalized the National Culture & Heritage Policy, 2021
- ii. Reviewed and finalized the National Music Policy, 2021
- iii. Reviewed and finalized the Culture Bill, 2020



5.6.3 Implementation Challenges

- i. Low literacy levels among athletes impacts negatively on the understanding of anti-doping information;
- ii. Technological advancements on doping practices making it difficult for timely detection of use of prohibited substances and methods;
- iii. Encroachment and vandalism of monuments and ancient historical sites, cultural and heritage facilities for instance Malindi Museum and Shimoni site; and
- iv. Threat of erosion of positive cultural values in the face of influence by foreign cultures.

5.6.4 Lessons Learnt

- i. Delay in delivery of judgements on Anti-Doping Rules Violations (ADRV) locally has implications on compliance with the World Anti-doping Code (WADC);
- ii. There is a huge innovation potential in the creative and performing arts industry that need to be nurtured and supported for realization of hidden treasures among Kenyan artistes.

5.6.5 Recommendations

- i. Customize and translate Anti-Doping Information sharing materials to local dialects targeting low literate athletes and athlete support personnel;
- ii. Enhance intelligence gathering and research on doping trends;
- iii. Secure ancient historical sites, cultural and heritage facilities; and
- iv. Promote indigenous positive cultural values and increase local content in media.



CHAPTER SIX





CHAPTER SIX

POLITICAL PILLAR

6.0 Introduction

The Political Pillar envisions a democratic political system that reflects the aspirations and expectations of the Kenyan citizens. The Pillar consists of two sectors: Devolution; and Governance and Rule of Law. Overall, it seeks to create an enabling legal, policy and regulatory environment that facilitates efficient management of public resources, improved access to justice and capacity for County Governments to implement devolved functions. Towards this, the key reforms planned under the Pillar in the MTP III include: strengthening governance and fight against corruption; ensuring free fair and violence-free elections; modernizing the criminal justice system; and capacity building for devolved Governments.

6.1 Devolution Sector

The theme of the Devolution Sector in the MTP III is “Making Devolution Work: A Catalyst for Holistic, Transformative and Sustainable Development”. The sector also seeks to support the Government’s “Big Four” Agenda by developing policies and legislation that promote good governance, equity and efficient service delivery at the county level.

6.1.1 Sector Performance

During the review period, the Devolution Sector focused on the implementation of capacity building programmes in County Governments; enhancement of relations between the National and County Governments; and review of policy and legislative frameworks relating to devolution. Table 6.1 presents the sector’s performance with respect to the implementation of these interventions.



Table 6.1: Devolution Sector MTP III Achievements for the 2020/21 FY

MTP Outcome	III Outcome Indicator	Achievement 2019/20 FY	Target 2020/21 FY	Achievement 2020/21 FY	Remarks
Enhanced Inter-Governmental Relations	The Proportion of Inter-Governmental disputes resolved through ADR (%)	100	100	100	
	No. of Inter-Governmental consultative sectoral forums convened	17	17	4	Only four forums (Health, Manufacturing, Water and Public Service Sectors) were held due to budget cuts
Strengthened capacities for implementation of Devolution	No. of Counties capacity built and technically supported	47	47	47	All Counties were supported based on their specific demands and needs
	No. of Counties with operational Civic Education Units	47	47	47	All Counties established and operationalized Civic Education Units
	No. of institutions / Counties implementing National Capacity Building Framework (NCBF)	47	15	52	Five National Agencies and all 47 Counties implemented various activities under the NCBF.
Strengthened policy and legal framework for devolution	No. of policies, laws developed	1	1	1	Regulations for Inter-Governmental Sectoral forums were finalized

Source: State Department for Devolution Annual Progress Report for 2020/21 FY

The Devolution Sector posted varying achievements with some of the targets achieved while others not achieved mainly due to budget cuts and the COVID-19 pandemic containment measures. The Sector continued with technical support and capacity building to County Government staff on various technical areas based on County specific needs. Implementation of the National Capacity Building Framework (NCBF), with the support from other National Institutions, in all the Forty-seven (47) Counties was conducted on the following key thematic areas; Public Financial Management, Planning and M&E, Human Resource and Performance Management, Devolution and InterGovernmental Relations, Civic Engagement & Public Participation.

In the fight against the COVID-19 pandemic, all the 47 Counties were funded to a tune of KSh.2.115 Billion to upgrade hospitals, increase bed capacities, purchase Personal Protective Equipment (PPEs)



and sensitize communities. Additionally, KSh.4.6 Billion was disbursed to 38 Counties to finance investment projects contained in their CIDPs.

The Sector successfully mediated eight intergovernmental (National versus County) disputes through the ADR mechanism. The disputes included: The occupation of County Commissioner's office in West Pokot; Occupation of the Siaya Agriculture Training College houses; Withholding of coffee cess by Agriculture Fisheries and Food Authority; Revenue sharing on export slaughterhouses in Nairobi; Marigat Slaughterhouse; Construction of masonry perimeter fence, double steel gate and a pedestrian gate at the Garissa Referral Hospital; Hand-over of Nasukuta Export Slaughterhouse; and transfer of nine Irrigation Projects to nine Counties. The mediation resulted in the signing of Memoranda of Understanding.

6.1.2 Policy, Legal and Institutional Reforms

- i. Draft Regulations for the County Government Act, 2012 and Intergovernmental Relations Act, 2012 were developed.
- ii. Regulations for Inter-Governmental Sectoral Forums were finalized and submitted to the Summit for approval.

6.1.3 Implementation Challenges

- i. Budget cuts slowed down the implementation of planned activities; and
- ii. COVID-19 pandemic restrictions on travel and gatherings made it difficult to engage stakeholders for views especially on the development of the regulations for the County Government Act, 2012 and Intergovernmental Relations Act, 2012.

6.1.4 Recommendations

- i. There should be consultations amongst all sector stakeholders during budget reviews to provide an opportunity for the sectors to surrender the budgets on least priority projects;
- ii. Leverage on technology to enhance service delivery especially in stakeholders' engagement.

6.2 Governance and Rule of Law Sector

The Sector seek to ensure a secure, just, cohesive, democratic, accountable and conducive environment for a prosperous Kenya. Key institutions under the sector are the Office of the Attorney General and Department of Justice, Judiciary and Independent Electoral and Boundaries Commission. The sector has six flagship projects in the MTP III which include: implementation of the constitutional reforms; implementation of leadership ethics and integrity; national cohesion and integration; legal aid and awareness; strengthening the criminal justice system; and judicial transformation.

6.2.1 Sector Performance

Table 6.2 presents the achievements of the Sector against the set targets during the review period.



Table 6.2: Governance and Rule of Law Sector MTP III Achievements for 2020/21 FY

MTP Outcome	III Outcome Indicator	Achievement 2019/20 FY	Target 2020/21 FY	Achievement 2020/21 FY	Remarks
Enhanced access to justice/legal services	Judges to population ratio	1:321,380	1:295,792	1:276,537	Appointment of Judges led to an improved ratio
	Magistrates to population ratio	1:86,954	1:68,840	1:88,905	There were delays in the recruitment of magistrates
	Case clearance rate	86	110	83	Affected by persistent shortage of judges and judicial officers, combined with scaling down of court operations due to COVID-19 pandemic.
	Number of Counties where legal aid is rolled out	0	14	5	Offices were to be established using the donor funds which were released late.
	Number of vulnerable persons accessing legal aid	-	40,000	16,234	COVID-19 pandemic containment measures affected implementation
Courts established (high courts; magistrates courts and small claims court)	Number of high courts established	0	2	2	
	Number of magistrate courts established	2	41	20	Target not achieved due to inadequate funding
	Number of mobile/circuit courts established	5	4	6	More magistrates' courts were established due to high demand.
	Number of courts constructed	7	40	5	Construction of targeted courts hindered by inadequate funding
Court annexed mediation operationalized	Number of courts with an operational mediation annex	14	10	14	Increased use of the Court-appointed mediators to clear the backlog in minor cases
Case management systems	Percentage of courts with an automated case management system	47	60	100	The Case Tracking Module was rolled out to all courts in response to the COVID-19 pandemic containment measures



MTP Outcome	III Outcome Indicator	Achievement 2019/20 FY	Target 2020/21 FY	Achievement 2020/21 FY	Remarks
Online knowledge management system developed	Proportion of online knowledge management systems developed	0	50	0	Not implemented due to inadequate funding
Legal resource centre established	Percentage of legal resource centre established	0	50	0	
Bill of Rights implemented	Report on the implementation of the Bill of Rights	2	1	1	Victim Protection Fund Regulations prepared
	No of Government officials trained on the Bill of Rights	100	400	100	Training affected by COVID-19 containment measures
Legal education and training	Percentage level of the National policy on legal education and training developed and implemented	10	20	0	The National policy on legal education has not been formulated due to inadequate funding.
	Percentage of students trained on revised advocates training curriculum	42	50	50	
	Percentage completion level of the well-equipped library	65	85	83	
	Number of students trained and examined on revised advocates training programme curriculum	1716	2,200	1732	
Improved business processes in provision of legal service	Percentage level of competency capacity development of legal staff	26	20	20	Upward revision of the course entry requirements led to under-achievement

Source: Judiciary Annual Report 2020/21 FY; Office of the Attorney General and Department of Justice Annual Progress Report 2020/21 FY.



During the review period, seven Appeal Judges were appointed bringing the total to 22, nine employment and Labour Relations Court (ELRC) judges were appointed bringing the total to 21 and 18 Environment and Land Court (ELC) judges were appointed bringing the total to 41.

A total of 22 permanent courts were established. These include two High Courts at Kwale and Vihiga, and twenty (20) magistrates' courts at Ol-Kalou, Etago, Madiany, Zombe, Port Victoria, Borabu, Kendu Bay, Wamunyu, Malaba, Matiliku, Usigu, Kasarani, Masinga, Manga, Tinderet, Garbatulla, Kabiyeet, Marigat Kenol and Rumuruti. Further, 6 mobile magistrates' courts were established at Nambale and Butula (under Busia Law Courts), Mutuati (under Maua Law Courts), Endau (under Kitui Law Courts), Konoin (under Sotik Law Courts) and Sereolipi (under Isiolo Law Courts). Construction of five courts, a Court of Appeal building in Nakuru and 4 High Court buildings in Kakamega, Nanyuki, Garissa and Siaya, was completed

The Case Tracking Module of the automated Case Management System was rolled out in all courts across the Country while the e-filing module of the system was operationalised in all courts in Nairobi. There was also a high uptake of the virtual courts across the Country as a result of the COVID-19 pandemic containment measures. Overall, the case clearance rate was 83 percent against the projected 110 percent. Specifically, the case clearance rates were; Supreme Court at 132 percent, Court of Appeal at 50 percent, High Court at 92 percent, ELRC at 83 percent, ELC at 118 percent, Magistrates' Courts at 82 percent, and Kadhis' Courts at 81 percent.

Flagship Projects

Audit of Laws: The Sector undertook an audit of rules and regulations for Constitution implementation legislation and reviewed four sets of rules and regulations to ensure compliance with respective laws and the Constitution. In addition, 12 pieces of legislation were reviewed and recommended for amendment. Four County legislations were audited for compliance, five laws reviewed and 12 bills developed in consistency with the Constitution.

Access to Justice: During the review period there was increased offender's access to justice through the provision of 47,100 pre-sentence reports to courts; 5,205 post-sentence reports to high courts; submission of 595 reports to review boards; and preparation of 6,500 bail information reports. All court orders were enforced through supervision of the following categories of offenders; 35,200 probation orders, 35,413 community service orders and 46 power of mercy cases. A total of 16,234 vulnerable people accessed legal aid. 390 paralegals were trained on legal aid and two Legal Aid Needs Assessments were undertaken.

Operationalization of County Anti-Corruption Civilian Oversight Committees: The Sector operationalized two County Anti-Corruption Civilian Oversight Committees in two counties, Siaya and Homabay. A total of 334 advisories, notices and cautions on chapter six of the Constitution and related laws were issued.



Fight Against Corruption: 30 percent of the recommendations from the Task force report for legal, policy and institutional framework for fighting corruption were implemented. As a result, the National Ethics and Anti-Corruption Policy (2020) was launched and disseminated; the Whistle blower Protection Bill (2018) and the Conflict-of-Interest Bill (2020) was finalized; and the Cabinet Memoranda was also prepared. In addition, the Bribery Act (2016) Regulations and Guidelines were prepared and submitted for approval.

Further, the implementation plan on the United Nations Convention against Corruption (UNCAC) and Anti-corruption strategies was reviewed and a status report prepared. A total of 170 Corruption and Economic crime cases were investigated. The National Anti-Corruption Campaign Steering Committee established two new County Anti-Corruption Civilians' Oversight Committees (CACCOCs) and sensitized 1,525 leaders in forums held with the network, stakeholders and vulnerable groups. A total of 1,137 people were reached through social audits and public reporting forums and 24 anti-corruption radio messages were developed and transmitted.

6.2.2 Policy, Legal and Institutional Reforms

- i. The National Ethics and Anti-Corruption Policy (2020) was launched and disseminated;
- ii. The Whistle blower Protection Bill and the Conflict-of-Interest Bill was finalized;
- iii. The Bribery Act (2016) Regulations and Guidelines were prepared and submitted for approval;
- iv. The Sector drafted and finalized 61 pieces of legislation during the review period to support the implementation of “Big Four” initiatives.

6.2.3 Implementation challenges

- i. An increased workload for state counsel arising from an expansion of jurisdiction and additional courts;
- ii. Inadequate funds for; training of State Counsel/Lawyers in emerging specialized areas of Law, and construction, completion and operationalisation of courts;
- iii. Inability to attract and retain qualified staff due to lack of harmonized terms of services within the Law and Justice Sector; and
- iv. Delay in the appointment of judges and other judicial officers affected the operationalisation of various established courts.

6.2.4 Lessons Learnt

- i. The preventive approach to the fight against corruption is more effective;
- ii. Public participation and involvement of citizens provide practical solutions to the fight against corruption; and
- iii. Communicating positive achievements in the fight against corruption builds trust and creates greater transparency and accountability.

6.2.5 Recommendations

- i. Harmonize terms of service for staff within the Sector;



- ii. Strengthen the decentralized units in the Counties and regions; and
- iii. Fast track appointment of judges.



CHAPTER SEVEN

THEMATIC AREAS

This chapter presents achievements across three main cross cutting issues that affect development in the Country namely: Climate Change, Disaster Risk Management and HIV/AIDS during the 2020/21 FY.

7.1 Climate Change

The Government has been implementing programmes and projects geared towards climate change adaptation and mitigation. The interventions cover a wide range of sectors including Agriculture, Water, Energy, Infrastructure among others.

7.1.1 Performance under Climate Change

A summary of the achievements is presented in Table 7.1.

Table 7.1: Climate Change MTP III Achievements 2020/21 FY

MTP III Outcome	Outcome Indicator (s)	Achievement 2019/20 FY)	Target 2020/21 FY)	Achievement 2020/21 FY)	Remarks
Improved social and sustainable livelihoods	No. of green jobs created	204,012	200,000	180,000	Due to reduced economic activities as a result of the restrictions posed by COVID-19.
	No. of additional counties with GIS based spatial plans that integrate climate change and Disaster Risk Reduction	4	10	3	Delayed due to restrictions posed by COVID-19 containment measures.
Reduced GHG Emissions	GHG Emission per year (MtCO ₂ e)	97	96	98	Despite the slowdown in economic activities leading to reduced GHG emission, the figure slightly increased due to rebased calculation method.

Source: Climate Change Directorate Annual Progress Report 2020/21

There was a slowdown in the integration of climate change and Disaster Risk Reduction in County Spatial Plans due to the COVID-19 containment measures that hampered consultative fora and restricted access to offices. As a result, only Tharaka Nithi, Baringo and Lamu completed their GIS



based spatial plans bringing the total number of counties with complete GIS spatial plans for the three year of implementing MTP III to seven (7). Laikipia, Kajiado, Kilifi, Kwale and Makueni had their GIS based spatial plan development processes ongoing while Marsabit, Tana River and Wajir had established GIS labs.

7.1.2 Other Programmes/Projects

An updated Nationally Determined Contribution (NDC) was submitted to the United Nations Framework Convention on Climate Change (UNFCCC); and

An assessment was undertaken to determine the readiness of counties for the upcoming Financing Locally Led Climate Action (FLLoCA) Programme.

7.1.3 Implementation Challenges

Inadequate awareness on matters of climate change hampered implementation of climate change responsive decision making.

7.1.4 Lessons Learnt

Virtual forums, if well planned and structured, can save on costs, time and logistics.

7.1.5 Recommendations

- Targeted capacity development of legislators, both at national and county assemblies, to enable them effectively interrogate the mandatory climate change implementation status reports and appropriately allocate resources for climate action; and
- Increase public awareness on effects of climate change through campaigns.

7.2 HIV/AIDS

HIV/AIDS continues to be a major challenge to the achievement of national development aspirations as enshrined in the Vision 2030. It impacts negatively on the productive capacity of the Kenyan labour force especially those between ages 15-35 years. HIV/AIDS is a cross-cutting issue that needs a multi-faceted approach to mitigate its impact and reduce its spread.

7.2.1. Performance Under HIV/AIDS

Table 7.2: HIV/AIDS MTPIII Outcome Achievements 2020/21 FY

MTPIII Outcome	MTPIII Outcome Indicator (s)	Achievement (2019/2020 FY)	Target (2020/21 FY)	Achievement 2020/2021 FY	Remarks
Reduced HIV prevalence	National HIV prevalence rate (Disaggregated by sex)	4.5	4.5 Female:5.8 Male:3.1	4.3 Female:5.5 Male:2.9	Decline was due to the increased access to ART as well as enhanced behaviour change.

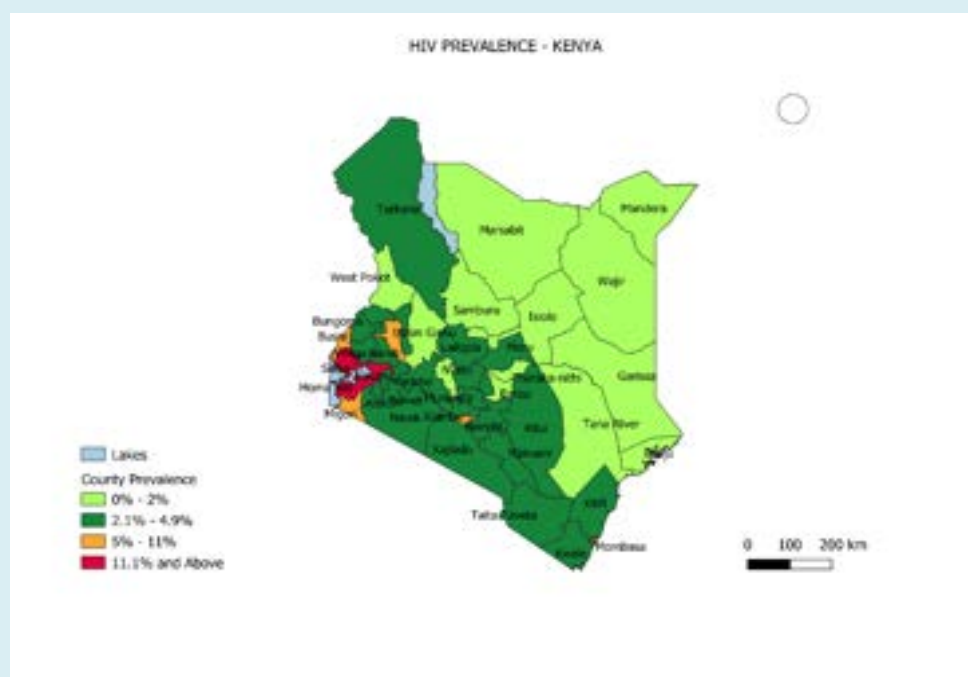


MTP III Outcome	MTP Outcome Indicator (s)	Achievement (2019/2020 FY)	Target (2020/21 FY)	Achievement 2020/2021 FY	Remarks
Increased Access to HIV Treatment	Number of PLHIV on ARVs (Disaggregated by sex and age)	1,192,171 Female 781,129 Male 378,450 Children 32,592	1.4M	Total:1,199,101 M Adults 15+:1,130,513 Children:68,588 Male 15+:370,150 Female 15+:790,418	The target was not achieved due to inadequacy of funds
	Annual Number of HIV related deaths (Disaggregated by sex and age)	21,000	6,385	Total:19,486 Adults 15+:16,394 Children:3,092 Male 15+:8,885 Female 15+:7,508	The number of HIV related deaths was still high due to the COVID-19 pandemic.
Reduced new HIV Infections	No of new Adult HIV infections (Disaggregated by sex and age)	34,597	31,100	Total:28,146	The target was achieved mainly due to increased advocacy among the Adolescent and Young people (AYP) and male engagement in HIV programming
	Percentage of child infections from HIV infected women delivering in the past 12 months.	10.8	4.1	9.7	Target not achieved due to challenges of access to antenatal care, ART adherence especially among expecting Adolescent and Young People (AYPs).
	Number of AYP Education Centers established.	10	18	30	The Country has established youth desks within Huduma Centres as well as Youth Friendly centres across various health facilities in Kenya.

Source: National Aids Control Council, 2020/21 FY HIV Estimates

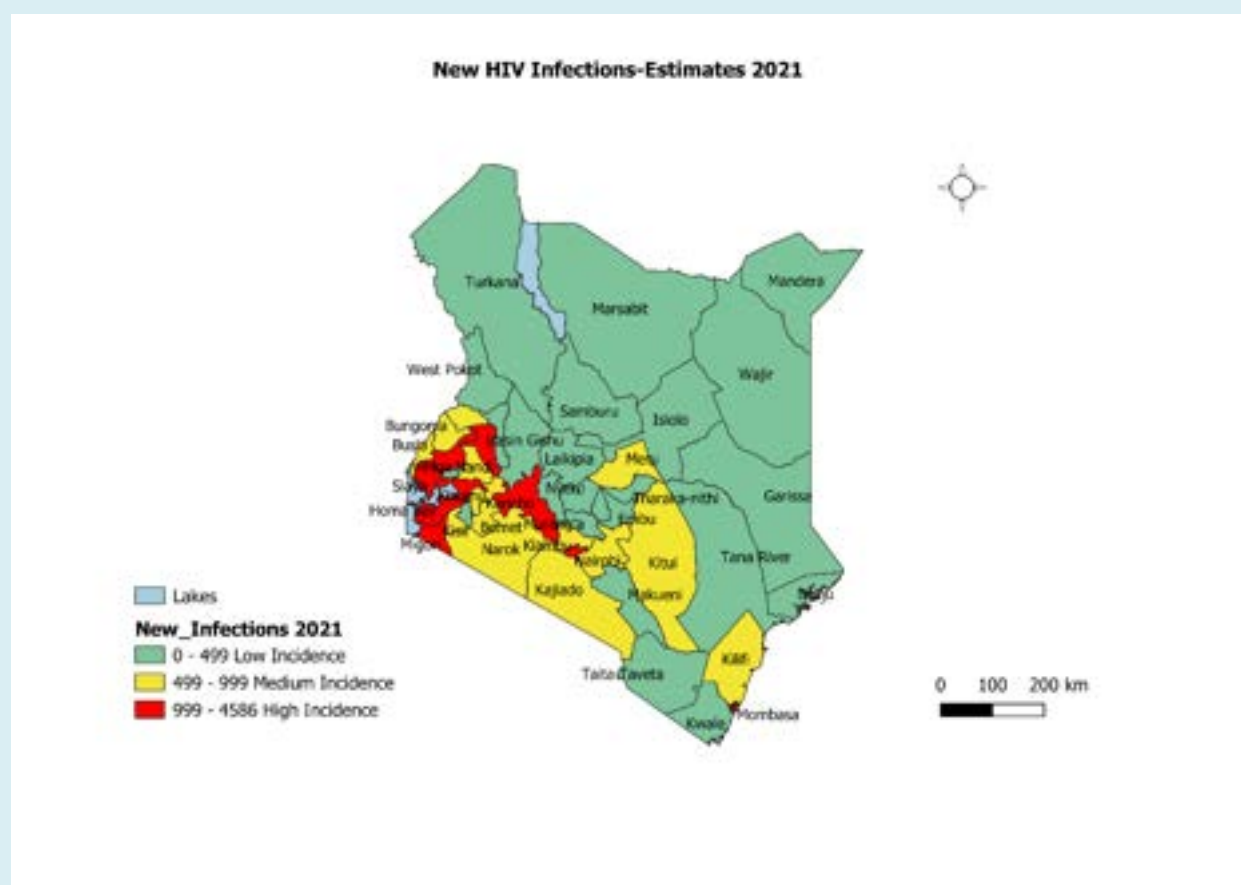
The reduced HIV prevalence was as a result of increased access to ART that reduced new infection, as well as enhanced behaviour change related programmes such as condom use, AYP programming and use of male champions. The prevalence levels in 2020/21 FY are geographically presented with the northern frontier having between 0-2 percent prevalence rates while the Nyanza region had 11 percent and above as per Figure 7.1.

Figure 7.1: 2021 Distribution of HIV Prevalence in Kenya



There was a slight increase in access to Antiretroviral treatment (ART) of 0.58 percent attributed to enhanced care and treatment programming. This includes test and treat, and strengthening the Community Health framework which enhanced identification of persons accessing ART. The increased access to ART led to a reduction of HIV related mortalities by 7.2 percent between 2019/20 FY and 2020/21 FY. This was also enhanced by the increased adherence among the PLHIVs on treatment. New infections reduced by 18.7 percent from 34,597 persons in 2019/2020 FY to 28,146 persons in 2020/21 FY. The reduced new infections have reduced the incidence levels in the Country as presented in Figure 7.2.

Figure 7.2: New HIV Infections-Estimates 2021



The MTCT rate improved to 9.7 percent in 2020/21 FY down from 10.8 percent in 2019/20 FY. The reduction was attributed to increased advocacy among the Adolescent and Young People (AYP), strengthening of the Community Health Framework and improved adherence levels.

Other Programmes/Projects

Reduced Annual New HIV Infections among Adolescents and Young People to Less Than 11,000

New infections among the 0-14 years and 15-24 years reduced by 872(16.47 percent) and 3,181 (28.32 percent) respectively. The introduction of youth desks within the Huduma centres increased access to HIV information among the Adolescent and Young People in the Country.

Enhancement and Maintenance of an Integrated HIV and Health Analytics Platform (Kenya HIV Situation Room)

An integrated framework for real-time data capture for decision making was developed. This has strengthened the operationalization of the situation room towards the achievement of the Universal Health Coverage as a Big Four Agenda.



7.2.2 Policy, Legal and Institutional Reforms

The Kenya AIDS Strategic Framework (KASF II) (2020/2021 FY – 2024/2025 FY) was enhanced to cover the devolved units. The enhancement process involved development of 47 County AIDS Implementation Plans (CAIPs) to guide in the implementation of the KASF II at the county level.

7.2.3 Implementation Challenges

- i. Disruptions from COVID-19 where clients movement to access ARVs and client frequent monitoring at the facility was affected;
- ii. ARVS stock out: Kenya experienced an acute shortage of Antiretroviral Drugs (ARVs). This was as a result of USAID, which exports the ARVs, halting the supply through the Kenya Medical Supplies Authority (KEMSA); and
- iii. There has been declining donor support for HIV programs within the Country which makes it difficult to sustain some of the programs.

7.2.4 Lessons learnt

Efficiency in programming and integration of HIV activities with key comorbidities including Noncommunicable Diseases (NCDs) and the COVID-19 pandemic will result in reduction of operational costs while strengthening the implementation frameworks.

7.2.5. Recommendations

- i. Develop a framework for HIV commodities security including local manufacturing of ARVs and other products;
- ii. Integration of HIV and related comorbidities to enhance efficiencies in programming leading to economic savings; and
- iii. Spearhead domestic financing models to cushion the HIV/AIDS programme which is heavily donor funded.

7.3. Disaster Risk Reduction

Kenya is usually faced by disasters such as; drought, floods, landslides, fires, pests and diseases, earthquakes, infrastructure collapse and road accidents. Subsequently, an average of 3 to 4 million people are affected by disasters annually. Disaster Risk Reduction has therefore been mainstreamed in the Country's planning process to mitigate the effects of disasters and to enhance community resilience.

7.3.1 Performance under Disaster Risk Management

During the review period, achievements were largely due to strong collaboration between the National and County Governments. The achievements are summarized in Table 7.3.

**TABLE 7.3: DISASTER RISK MANAGEMENT MTP III ACHIEVEMENTS FOR 2020/21 FY**

MTP Outcome	Indicator	Achievements (2019/20 FY)	Targets 2020/21 FY	Achievements 2020/21 FY	Remarks
Improved community resilience to disasters	No. of deaths, missing persons and persons affected by disaster per 100,000 People.	27	35	25	The reduction was due to increased use of multi-hazard early warning systems
	No. of counties with Multi-Hazard Early Warning Systems	16	19	47	Kenya Metrological Department (KMD) has a multi-hazard early warning system in all the 47 counties.
	No. of counties that enact local Disaster Risk Management Legislative Frameworks	15	5	4	

Source: Annual Performance Evaluation Report, National Disaster Operations Centre (NDOC), 2021

The decline in number of deaths, missing persons and those affected by disaster was as a result of increased use of Multi Hazard Early Warning Systems in all the 47 counties. Counties that enacted DRM legislative frameworks include: Isiolo, Wajir, Kilifi and Nandi.

7.3.2 Policy, Legal and Institutional Reforms

National Disaster Risk Management Policy, 2020 and Draft National Disaster Risk Management Bill 2021 were submitted to the National Assembly.

7.3.3 Lessons Learnt

- Modernized and effective Early Warning Systems are key to DRM;
- Utilization of ICT and social media plays a significant role in timely, predictable and effective information dissemination for adequate preparedness and response in case of a disaster;
- Resilience mechanisms among communities reduce exposure and vulnerability to disasters; and



CHAPTER EIGHT

MONITORING AND EVALUATION ECOSYSTEM IN THE PUBLIC SECTOR

8.1 Overview

Monitoring and evaluation (M&E) are indispensable learning and management tools for improving program planning, implementation and decision making. M&E structures, systems and processes should be built into public policies, programs and projects from the design phase and carried out through the lifetime of the project. This is crucial in tracking the implementation of the MTP III, County Integrated Development Plans, Regional and International obligations.

Various public sector entities are responsible for tracking the implementation of the Country's development agenda. These are: Monitoring and Evaluation Directorate (MED); the Public Investment Management unit; Vision 2030 Delivery Secretariat; Sustainable Development Goals (SDGs) Coordination Directorate; the MDAs through the Central Planning and Project Monitoring Units (CPPMUs); President's Delivery Unit (PDU), New Partnership for Africa's Development (NEPAD)/Africa Peer Review Mechanism (APRM) and County Governments.

8.2 Summary of Monitoring and Evaluation Activities in the Public Sector

During the review period, the following MDAs carried out M&E activities to improve project implementation, learning and evidence-based decision making:

8.2.1 Monitoring & Evaluation Directorate

During the review period, the following was achieved: finalized and published the Monitoring and Evaluation Guidelines; developed and published Norms and Standards for Monitoring and Evaluation; prepared and published the 2nd Annual Progress Report; initiated Development of County Annual Progress Report Guidelines; and hosted the 9th National Monitoring and Evaluation week conference themed: "Monitoring and Evaluation in the context of COVID-19 pandemic". In addition, the Directorate rolled out electronic-National Integrated Monitoring and Evaluation System (e-NIMES) to 42 MDAs attracting 192 officers. Towards strengthening M&E in the counties, the following were conducted: Provided M&E technical support to Mandera, Tana River, Migori, Kitui and Lamu in operationalization of CIMES; and conducted phase 2 CIMES diagnostic assessment in Kilifi, Kajiado, Busia, Samburu, West Pokot and Narok.

8.2.2 Public Investment Management Unit

During the review period the following were achieved: Disseminated the PIM guidelines to 440 officers from MDAs; trained 23 officers from the County Government of Turkana; drafted the PIM operational manuals; Initiated development of the Public Investment Management Information System (PIMIS); and prepared a status report on the new, on-going and stalled projects/investments For Health, Education, Energy, Infrastructure and Information Communication and Technology Sectors. In addition, 50 project proposals from implementing agencies were reviewed and approved for implementation. Public Investment Management Regulations (2021) were also prepared, approved by the Cabinet and submitted to the National Assembly for deliberation and feedback.



8.2.3 Vision 2030 Delivery Secretariat (VDS)

During the review period: The Kenya Vision 2030 Flagship Programmes and Projects implementation status report for the 2019/20 FY was prepared; Vision 2030 Flagship Programmes/Projects Identification Criteria was developed; 22 Flagship Programmes and Projects in Coast, Nyanza, Lower and upper Eastern Region circuits were monitored; the draft Monitoring and Evaluation Framework for tracking Kenya Vision 2030 Flagship Programmes and Projects was prepared; the 7th Knowledge Sharing Workshop bringing together all the Ministries, Departments and Agencies (MDAs) was held; Youth Forums in collaboration with the State Department for Youth Affairs in Kilifi, Narok, Marsabit and Embu counties were held; Political Pillar Strategy was developed; and targeted media events/engagements for the Magical Kenya Open and Savannah Classic Golf Tournaments were held.

8.2.4 Sustainable Development Goals (SDGs) Coordination Directorate

The 2020 Voluntary National Review (VNR) was prepared and presented to the International Community at the High-Level Political Forum (HLPF). The annual national multi stakeholders' forum was held to showcase ongoing initiatives, exchange inputs and ideas to accelerate the implementation of SDGs.

8.2.5 Ministries, Departments and Agencies (MDAs)

The MDAs continued to track and prepare reports on the implementation of various aspects of MTP III and the Big Four Agenda. These implementation reports form the basis of this annual progress report.

8.2.6 President's Delivery Unit (PDU)

Monitored the implementation of the "Big Four" Agenda, and priority projects and programmes through the Government Performance Reporting System (GPRS). The projects monitored included: the Nairobi Expressway Project; the Nairobi Western Bypass Project; Thwake Multipurpose Development Dam, Lamu port and Kisumu Marine School among others.

8.2.7 The NEPAD/APRM Kenya Secretariat

Monitored and reported on the progress of roads and other projects contributing to regional integration. Participated in the official launch of the 3rd biennial review (BR) reporting process on Comprehensive Africa Agriculture Development Program (CAADP).

On peer review mechanism, the following was achieved: sensitized county secretaries on the County Peer Review Mechanism; participated in the 30th summit of APR heads of state and Government to report Kenya's progress on the implementation of recommendations incorporated in the National Programme of Action (NPoA) of Kenya's Second Country Review Report; in conjunction with the APRM Continental Secretariat and KNBS facilitated the development of the National Governance Report (NGR) for Kenya 2021; and commenced the preparation of the Country's targeted review process (mainly on the Big Four Agenda) and four key cross-cutting governance challenges cited in the APRM 2nd Country Review Report for Kenya (2017).



8.3 The challenges facing institutionalization of M&E

- i. Lack of or inadequate dedicated M&E budget for monitoring and evaluation of policies, programmes and project at national and devolved levels of Government;
- ii. Unavailability of data for some indicators especially in the Health Sector where some surveys are done after several years;
- iii. Misconception of M&E as an audit or policing tool; and
- iv. Inadequate technical M&E capacity.

8.4 Lessons learnt

- i. Political goodwill is essential for success of M&E in the public sector;
- ii. Collaboration between the National Government and the County Government is essential to deepen the Monitoring and Evaluation in the Public Sector
- iii. Integration of technology in M&E reporting is critical in Monitoring and Evaluation; and
- iv. Monitoring and Evaluation during a pandemic or crises calls for innovative ways and new methods of deployment.

8.5 Recommendations

- i. Coordinated approach to Monitoring and Evaluation among all stakeholders;
- ii. High level sensitization of leaders at both national and devolved level on M&E;
- iii. Enhanced adoption of e-NIMES/e-CIMES;
- iv. Increased sensitization of all stakeholders; and
- v. Enhanced dedicated budget for M&E.



CHAPTER NINE

CHALLENGES, LESSONS LEARNT AND RECOMMENDATIONS

9.1: Challenges

The key issues that hampered achievement of targets in the period under review included the following:

- i. **COVID-19 pandemic:** The COVID-19 Pandemic and the effects of its mitigation measures affected implementation of projects and programmes and service delivery. The infection cases strained the Country's Health Care System and resources had to be reallocated to fight the Pandemic. This reallocations and pandemic containment measures affected other sectors of the economy. Some of the most affected sectors were: Education; Tourism; Trade; and Services.
- ii. **Inadequacy of up-to-date data:** Data for some of the sectors' outcome indicators are not updated annually as they require comprehensive surveys which are only done periodically. In some cases, surveys are planned and not conducted due to budget constraints. This affects accountability and decision-making.
- iii. **Inadequate Legislative Frameworks:** A number of laws are yet to be aligned to the Constitution or reviewed to address emerging issues. In addition, the development and finalisation of some the laws and policies has been delayed affecting service delivery.
- iv. **High Cost of Land for Infrastructure projects:** Many implementing agencies reported delayed project implementation due to lengthy processes of land acquisition, high compensation costs and encroachment of wayleaves
- v. **Inadequate Financial Resources:** Inadequate budgetary allocation, budget cuts and delayed exchequer releases especially in development projects hampered the implementation and completion of various projects and programmes across all sectors.
- vi. **Climate Change and related emerging issues:** Adverse Climate Change effects impacted negatively on productivity and the sustainability of various sectors in the economy. Locusts' invasion affected agriculture; floods affected fishing, rising water levels affected livelihood and social economic activities.
- vii. **Weak Intergovernmental coordination/engagements:** Delay in operationalization of intergovernmental sectoral forums affected implementation of some projects in the counties.



- viii. **Lack of synergy and harmonization in M&E:** Data collection and information processing from M & E exercises undertaken by different institutions that carry out this mandate was not harmonised in a way that could inform timely decision making.
- ix. **Inadequate technical capacities:** Some sectors could not deliver the planned outputs due to shortages in required technical skills arising from natural attrition, freezing of employment and high staff turnover.
- x. **Increased litigations:** A number of sectors experienced increasing litigations with some resulting in high court awards and stalling of projects

9.2: Lessons Learnt

- i. Leveraging on ICT especially in a restrictive environment ensures continuity in service delivery and enhances operational efficiency;
- ii. Effective coordination between the two levels of Government is crucial for development;
- iii. Partnerships are key in resource mobilization and project implementation;
- iv. Involvement of key stakeholders in project planning, implementation and management is necessary for ownership and sustainability; and
- v. Shock resilient programming ensures continuity in service delivery during times of crisis such as the COVID-19 Pandemic.

9.3: Recommendations

To address the challenges encountered during the review period, the following recommendations are proposed in order to improve performance in terms of achievement of targets:

Enhance Resource mobilization: To support implementation of priority programmes and projects, sectors need to explore other sources of funding such as PPP to bridge the funding gap. Sectors should also consider development and implementation of resource mobilisation strategies to ease over-reliance on exchequer.

Increase Investment in production of data: Data-driven decision making is critical in ensuring that policy decisions by Government achieve desired outcomes. Investment in production of credible data which is crucial for programming, policy formulation and tracking of results should be enhanced; Sectors should also identify and make reference to other existing credible data sources.

Leverage on ICT: To ensure integration and uninterrupted delivery of services, sectors should continue and expand to leverage on technology in the implementation of projects and service delivery especially in restrictive environment; Further, the ICT infrastructure should be expanded to cover the unserved and underserved areas to promote the growth of the digital economy.

Strengthen Monitoring & Evaluation: There is need for continuous strengthening of M&E capacities at all levels. In addition, the adoption of e-NIMES should be fast tracked to ensure a coordinated reporting as well as obtaining timely, accurate information for informed decision making;



Embrace Climate Smart Technologies: There is need to increase advocacy and incentives for the adoption and adaptation of climate smart technologies in mitigating the impacts of climate change in all sectors;

Development and Review of policies and relevant legislations: Development and review of relevant legislations should be fast-tracked to strengthen legal, policy and institutional frameworks in all sectors. The legal and policy making process is also lengthy and this needs to be expedited to enhance timely implementation of projects and programmes.

Streamline Land acquisition process: The challenges facing the processes of land acquisition should be addressed to avoid delays in project implementation.

Strengthen interGovernmental relations: All sectoral interGovernmental forums should be operationalized to facilitate smooth implementation of projects and programmes at the County level.

Mitigation of COVID-19 pandemic effects: Enhance Government policy to mitigate COVID-19 Pandemic including increasing vaccination of the population.



Republic of Kenya
THE NATIONAL TREASURY AND PLANNING
STATE DEPARTMENT FOR PLANNING
MONITORING AND EVALUATION DIRECTORATE

THIRD ANNUAL PROGRESS REPORT 2020/21
On the Implementation of the Third Medium Term Plan (2018-2022) of the
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