



REPUBLIC OF KENYA

**THE NATIONAL TREASURY AND PLANNING
STATE DEPARTMENT FOR PLANNING**

FOURTH MEDIUM TERM PLAN 2023-2027

CONCEPT NOTE

FEBRUARY, 2022

1. Introduction

1. The Fourth Medium Term Plan (MTP 2023-2027) of Kenya Vision 2030 will succeed the Third MTP 2018-2022 which incorporated the “Big Four” Agenda. The “Big Four Agenda” prioritized food security and nutrition; universal health care; enhancing manufacturing and provision of affordable housing. The “Big Four” Agenda is aimed at creating jobs and enabling citizens to meet their basic needs.

2. The Fourth MTP will implement the fourth and second-last phase of Kenya Vision 2030 and will set the momentum for transition to the next long term development agenda for the Country. It will be guided by Kenya Vision 2030 and lessons learnt in implementation of previous MTPs (MTPI, MTPII and MTPIII). It will also be guided by the Constitution and will incorporate the priorities outlined in the Manifesto of the Political Party forming the Government after the next general election scheduled for August 2022.

3. The Government has achieved several milestones in implementing MTP III policies, programmes and projects. The achievements are documented in the Annual Progress Reports (APRs), Implementation Status of the “Big Four” Agenda and various Monitoring and Evaluation Reports prepared by Ministries, Departments and Agencies (MDAs). It is worth noting that implementation of the MTP III was faced with challenges that impeded full realization of macroeconomic and sectoral targets.

4. The goal of the Third MTP was to put the economy on a sustainable growth of 7 per cent by end of the Plan period. The economy grew by 5.6 per cent and 5.0 per cent in 2018 and 2019 respectively before contracting by 0.3 per cent in 2020. The slow-down in economic performance in 2020 was as a result of negative effects of Covid-19 pandemic which was first reported in the Country in March, 2020.

5. The Fourth MTP will be prepared against the backdrop of among other challenges, negative effects of Covid-19 pandemic. The pandemic adversely affected key economic activities including tourism, exports of horticulture, Micro Small and Medium Enterprises (MSMEs), manufacturing, transport and storage as well as domestic and external trade. It led to loss of lives and overstretched the health care system capacity and disrupted the education calendar in schools, colleges and universities. The measures put in place to contain the virus including the closure of airspace and borders, social distancing, cessation of movement and curfews, led to suppressed economic activities and job losses. The slowdown in economic activities also negatively impacted the performance of other key macroeconomic variables including Government revenue, investments, fiscal deficit and exchange rate.

6. The Fourth MTP will prioritize implementation of economic recovery strategies to re-position the economy on a steady and sustainable growth trajectory. Cognizant of the effect of Covid-19 pandemic and other challenges, the Government will build on implementation of economic recovery strategies that were identified in 2020/2021. It will aim at revitalizing performance in all economic sectors in order to foster growth, employment creation and poverty reduction.

7. In line with the Constitution, the Fourth MTP will be prepared through a wide consultative process. Various segments of the population will be engaged at different stages during the MTP preparation process. The consultations will aim at ensuring

inclusiveness and building consensus on identification of policies, programmes and projects for implementation over the medium term period.

8. In accordance with its mandate, as outlined in the Executive Order No. 1 of 2020, the National Treasury and Planning through the State Department for Planning will spearhead and coordinate the process and production of the MTP 2023-2027 and its Sector Plans. This Concept Note outlines the road map for the preparation of the Fourth MTP.

2. Achievement during implementation of Third MTP 2018-2022

Significant progress has been made in implementing the Third MTP 2018-2022. This section provides achievements made between 2018 and 2021 taking 2017 as the base year.

2.1 Macroeconomic Performance

9. The Third MTP (2018-2022) targeted real GDP growth of 7 per cent by the year 2022. Prior to the outbreak of Covid-19 pandemic, the economy was strong and resilient, expanding by 5.6 per cent and 5.0 per cent in 2018 and 2019 respectively according to rebased and revised Systems of National Accounts (SNA) that changed the base-year from 2009 to 2016. In 2020, the economy is estimated to have contracted by 0.3 per cent. The slow growth was attributed to adverse effects of COVID-19 and the consequent containment measures both domestically and internationally negatively affecting various 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.

10. Investments as a percentage of GDP increased from 17.7 per cent in 2018/2019 to 20.5 per cent in 2020/21 while savings increased from 13.6 per cent to 16 per cent over similar period. The current account deficit as a per cent of GDP narrowed over the years from 5.8 per cent in 2018, to 5.3 per cent in 2019 and to 4.6 per cent in 2020 on account of lower imports and travel receipts, while exports remained resilient, following the negative effects of COVID-19 pandemic. Total public debt as percent of GDP increased from 62.4 per cent in 2018/19 to 68.2 per cent in 2020/21. The gross public debt comprised of 52.1 per cent external debt and 47.9 per cent domestic debt in 2020/21.

11. Total number of new jobs created increased from 824,000 in 2018 to 847,100 in 2019 but the economy lost 737,500 jobs in 2020 due to COVID-19 pandemic and resultant containment measures. The unemployment rate stood at 6.6 per cent during the 1st quarter of 2021. The overall poverty rate decreased from 36.1 per cent to 33.6 per cent in 2019 implying that 15.8 million people live below absolute poverty line.

2.2 Foundations and Enablers

12. Total installed electricity generation capacity increased by 31.7 per cent from 2,265 MW in 2017 to 2,984 MW as at June, 2021. The total number of customers connected to electricity increased by 21.5 per cent from 6,763,921 in 2017 to 8,216,253 customers by August, 2021. To promote a 24-hour economy, 58,276 street light lanterns were installed across major cities and towns countrywide under the National Street Lighting Project. To enhance the existing transmission and distribution network, 1,238km of

transmission line, 2 new high voltage substations, 1,330.3km of medium voltage distribution lines and 41 distribution substations were also constructed.

13. A total of 5,107 km new roads were constructed / rehabilitated out of which 3,521 km were under 10,000 Programme, and 101,826 km maintained. Under the Public Private Partnerships (PPP)/Annuity financing, 91km of Ngong – Kiserian – Isinya and Kajiado – Imaroro road (Lot 33) was constructed. The 27 km Nairobi Expressway is 60 per cent complete and is projected to be complete by March, 2022. The Lodwar – Lokitaung Junction road and Loichangamatak – Lodwar road which is part of LAPSSET was completed. In addition, Liwatoni floating bridge was completed to ease pressure on Likoni Ferry.

14. The construction of 120 km Standard Gauge Railway (SGR) phase 2A from Nairobi to Naivasha together with an Inland Container Depot (ICD) in Naivasha was completed. The Nairobi Commuter Rail Services was revitalized through refurbishment of Nairobi Central Station, acquisition of 11 Diesel Multiple Engines, (DMUS) and rehabilitation of 168.6km of track. The rehabilitation of Meter Gauge Rail (MGR) corridors which include Thika-Nanyuki(180km), Nakuru-Kisumu (217km, Kisumu-Butere (69km) and Gilgil-Nyahururu (78km) lines were completed.

15. The second container terminal phase II at the port of Mombasa with additional capacity of 400,000 Twenty-foot Equivalent Unit (TEU) was 80.4 per cent complete. One of the first three berths in Lamu Port was operationalized in 2021 while the other two was 91 per cent complete. Revamping of Kisumu Port (Phase I) which comprised of repair of docking facilities and roads; and rehabilitation of yard areas, railway tracks and the link-span, and berth was also completed.

16. The number of air passengers (International and Domestic) and volume of air cargo (total freight) handled stood at 25.54 million and 1,089.73 million Kgs respectively during the three years of implementing MTP III. Designs for Rehabilitation of Terminal 1B and 1C at JKIA were completed and works stood at 48 per cent complete. Construction of the terminal building and extension of the runway for Kisumu International Airport was completed. Other rehabilitation and construction works were at various levels at airports and airstrips.

17. In order to improve living and working conditions in Government, 322 new government/building projects were designed, documented and supervised to completion while 320 buildings were rehabilitated/maintained. In addition, Shimoni Jetty, Lamu Terminal Jetty Access and Manda Jetty were constructed while Mokowe Jetty and Mtangawanda Jetty were 75 per cent and 96 per cent complete respectively. Under pedestrian access, 44 footbridges were completed for safe crossing of rivers, streams and for easy accessibility to areas with difficult terrain.

18. To improve international relations, diplomatic footprints were increased by establishing four new missions in Havana Cuba, Djibouti Djibouti, Bern Switzerland, Dakar Senegal, Accra Ghana and Arusha Tanzania. Chanceries in Geneva and New York were acquired while chanceries in Pretoria, Addis Ababa and Dar es salaam were refurbished.

19. Under the ICT Sector, the proportion of the population with internet connectivity increased from 73.5 per cent (33 million) in 2017 to 91.2 per cent (42 million) in 2020 due to the licensing and rolling out of 4G broadband networks to

homes by private operators. Mobile phone subscriptions grew by 43.5 per cent from 42.8 million in 2017 to 61.4 million in 2020. Construction and rehabilitation of 2,500 Km of National Optic Fibre Backbone Infrastructure (NOFBI) connecting 47 County Government Headquarters was completed. A total of 78 MDAs were connected to the Government Common Core Network (GCCN) Programme while 21 MDAs were connected to the Integrated Government Unified Communication System. To facilitate the e-government services, a total of 21,638 schools and 16 level 4 and 5 hospitals were provided with Broadband Connectivity while 67 underserved/ unserved areas and sub-locations were provided with 2G basic Voice Infrastructure. In addition, Data Protection and Privacy Act, 2019 was enacted and operationalized to regulate data processing.

20. With regard to Science, Technology and Innovation, Kenya was ranked position 85 among the world's most innovative economies in 2021, position two (2) in Sub Saharan Africa after South Africa, and position nine (9) among 10 best-ranked lower middle-income economies (2021 Global Innovation Index (GII) report). The Sector established three (3) Centres of excellence at Egerton University, Jaramogi Oginga Odinga University of Science and Technology and Moi University. The centres developed Masters and PhD programs and admitted 450 students. Designs for national science and technology parks at Konza Technopolis and Dedan Kimathi University of Science and Technology were finalized and construction works at Dedan Kimathi was 30 per cent complete.

21. Under land registration, processing and issuance of Title Deeds, a total of 1,757,623 titles were registered and issued while 224,447 land parcels were geo-referenced. Towards implementation of the National Spatial Plan and National Land Use Policy, 47 County-specific and seven (7) Sector-specific guidelines on land use were developed and disseminated to the Counties and Sectors. To modernize land registries, eight (8) land registries were constructed, 75 land offices refurbished and National Land Information Management System (NLIMS) developed and launched with Nairobi Land Registry operationalised. In addition, 277 km of international boundaries were surveyed, inspected and maintained; Land Value Index for 11 counties was developed; and the number of landless households settled increased from 314,025 in 2018 to 347,575 in 2021.

22. The Public Service Transformation Framework was developed to institutionalize Results Based Management, Performance Contracting, Rapid Results Approach and Business Process Re-engineering (BPR) tools for effective service delivery. A total of 26.9 million customer service delivery interactions were undertaken through Huduma Kenya services platforms. Under automation of public services Government Human Resource Information System (GHRIS) was upgraded and 4 additional modules (Payroll, Leave, Establishment Management and Pension Modules) introduced while performance contracting was automated with 414 institutions placed on performance contracting. A Comprehensive Civil Service Medical Insurance Scheme was put in place with 139,750 officers and their dependents covered while a Post-retirement Medical Insurance Scheme has been developed to improve the welfare of retired public servants. Implementation of the Public Service Internship Programme (PSIP) targeting fresh graduates was rolled out with at least 9,000 graduates having benefitted. In addition, the Public Sector Emeritus Strategy was developed to enhance knowledge management and retention.

23. Under the Security Sector, police to population ratio stood at 1:470 in 2021 against the United Nations' (UN) recommended ratio of 1:450; assorted security and communication equipment for specialized units at the National Police Service (NPS) as well as 112 Mine-Resistant Ambush- Protected (MRAPs) and Armored Personnel Carriers (APCs) were acquired; occurrence books at police stations in the Nairobi region and police clearance forms were automated; and the Facial Recognition component of the Integrated Border Control System developed in Muhuru Bay, Jomo Kenyatta International Airport and Moi International Airport. In addition, a total of 947,188 e-visas, 933,874 e- Passports and 54,566 work permits were issued; 1,217 illegal firearms and 15,170 bullets seized; and coordinated voluntary surrender of 248 assorted firearms and 4,108 assorted ammunitions.

24. In the Labour and Employment Sector, productivity growth rate per person increased from 2.7 per cent, in 2018 to 3.8 per cent in 2020. Similarly, total number of new jobs created increased from 824,000 in 2018 to 847,100 in 2019 but the economy lost 737,500 jobs in 2020 due to COVID-19 pandemic and resultant containment measures. The Sector developed an on-line portal, www.neaims.go.ke to facilitate seamless flow of labour and employer information; provided career guidance and placed a total of 160, 463 job seekers in employment through Public Employment agencies locally and abroad over the review period; and negotiated and signed a Bilateral Labour Agreement (BLA) with Government of the United Kingdom and Northern Ireland on health care workforce. Under Kenya Youth Employment Opportunities (KYEOP) Programme, a total of 33,136 hard to serve youths aged 18-29 years were provided with six months Job Specific Skills Training (JSST) and internship opportunities with 51per cent of the trained youth transiting to employment. The Kenya Labour Market Information System (KLMIS) was operationalized with a total of 671,813 log-ins during the review period. In addition, the National Employment Authority (NEA) and Alternative Dispute Resolution (ADR) mechanism for labour and employment disputes were operationalized.

25. Significant investments were made under Ending Drought Emergencies to build resilience of vulnerable households to calamities such as drought. These resulted to reduction of the number of people requiring food assistance as a result of drought from 3.4 million in 2017 to 2.5 million in 2020 while the proportion of children under 5 years with acute malnutrition in the Arid and Semi-Arid Areas (ASAL) reduced from 12.6 per cent in 2017 to 7.2 per cent in 2020. Regular cash transfers of Kshs. 5,400 bi-monthly was disbursed benefitting an average of 100,211 households in the four counties of Turkana, Wajir, Marsabit and Mandera under the Hunger Safety Net Programme. Automation of the drought early warning system was carried out through adoption of mobile phone technology for data collection and transmission while Remote Sensing was also adopted in production of Vegetation Condition Index (VCI) reports as part of integrated drought early warning system. In addition, Knowledge Management Information Sharing Platform for Drought Risk Management and Ending Drought Emergencies was developed.

26. In order to promote national values and ethics a comprehensive and targeted civic education programme was designed and implemented across all counties through Community Based Organizations, Faith Based Organizations, Non-Governmental Organizations and youth organizations among others. National values were mainstreamed in the Competence-Based Curriculum while a total of 397 public institutions mainstreamed monitoring and reporting on national values and principles of

governance due to loading of the national values indicator in the performance contracts of MDAs. Further, the EACC undertook capacity building workshops for 34 public entities to implement Chapter 6 of the Constitution and disseminated 11,478 copies of technical guidelines for implementation of Chapter 6 of the Constitution.

2.3 Economic Pillar

27. In the Agriculture and Livestock sector, a total of four (4) SME Incubation Units were constructed at Siakago, Siaya, Ruiru and Nakuru and 22 technologies were acquired, tested and promoted in Agricultural Training and Development Centres (ATDCs) to enhance efficiency in production and value chain related activities. The number of farmers with crop insurance increased from 416,982 in 2018 to 488,793 in 2020. Rice production increased by 66 per cent from 102,905 MT in 2018 to 171,500 MT in 2020. Post-harvest maize losses were reduced by 15 per cent through pest & disease management, provision of certified inputs for production and post-harvest management. On livestock productivity and marketing, 4.05 billion litres of milk were produced in 2020 compared to 3.75 billion litres in 2018. The installation of 380 milk bulking and cooling equipment led to an increase in processed milk from 625 million litres in 2017 to 858 million litres in 2021. A total of 161.4 million livestock assorted vaccines and 4.2 million straws of Artificial Insemination (AI) doses were produced and availed to livestock farmers. A total of 90,060 Tropical Livestock Units (TLUs) were covered annually through an insurance scheme benefiting 18,012 households in 8 counties. In addition, the New KCC plants were modernized through acquisition and installation of new equipment and machinery while 225 coffee factories were digitized and 25 refurbished.

28. The Manufacturing sector contribution to GDP averaged 8.0 per cent in the first three years of implementing MTP III against the “Big Four” agenda target of 15 per cent by 2022. The Sectors growth declined from 3.6 per cent in 2018 to -0.1 per cent in 2020 due to Covid-19 and consequent containment measures that slowed down economic activities in the sector. Exports from Export Processing Zone (EPZ) increased from Kshs.60.7 billion in 2017 to Kshs.73.8 billion in 2020 while capital investment increased from Kshs. 95.3 billion in 2017 to Kshs.114.7 billion in 2020. To enhance credit to Small and Micro Enterprises (SMEs), credit issued by KIE increased from Kshs.401.7 million in 2018/19 to Kshs.982.3 million in 2020/21. Jobs created as a result of this increased from 12,051 in 2018/19 to 42,173 in 2020/21. Development of Freeport & Industrial Parks Special Economic Zones Mombasa (Dongo Kundu) and SEZ Textile Park in Naivasha are at 6 per cent and 7 per cent complete respectively in 2020/21. Modernization of RIVATEX Machinery and Factory is at 92 per cent and has seen production of fabrics increase by 500 per cent to 25,000 meters per day consuming 22,000 bales of local cotton and supporting 29,500 farmers.

29. Tourism earnings increased by 36.4 per cent to stand at Kshs.163.6 billion in 2019 compared to Kshs.119.9 billion recorded in 2017. International tourist arrivals increased by 14.5 per cent from 1.778 million in 2017 to 2.035 million international arrivals in 2019 against the MTP III target of 2.5 million visitors by 2022. The hotel bed nights increased by 11.0 per cent from 3.645 million in 2017 to 4.047 million in 2019. Growth in tourism arrivals and earnings was attributed to intensified marketing interventions, withdrawal of travel advisories and growth of Meetings, Incentives, Conferences and Exhibitions (MICE). However, in 2020 tourism sector was hard-hit by COVID-19 pandemic with tourism earnings, international arrivals and bed nights dropping significantly by 43.9 per cent to Ksh. 91.7 billion, 71.5 per cent to 0.5796 million, and 46.7 percent to 2.57 million respectively.

30. Key achievements in Tourism sector included: regeneration of Mama Ngina Water-Front; implementation of incentive program which increased international commercial

and chartered flights to Mombasa; and elevation of Amboseli National Park to “a must see” status. In order to address the challenge of declining quality in the hotel industry, 46 applicants were issued with offer letters worth Kshs. 1.37 billion and loans worth Kshs. 427.5 million disbursed to 21 applicants for hotel refurbishment through the Economic Stimulus Programme (ESP). To secure wildlife corridors and dispersal areas, Naivasha-Hell’s Gate-Longonot-Lake Nakuru; Nairobi National Park-Swara Conservancy; and Amboseli National Park-Kimana-Chyulu National Park corridors and dispersal areas were identified, mapped and secured while 17,000 hectares of Laikipia National Park was acquired to establish a migratory corridor between Laikipia and Samburu. In addition, Wildlife Conservation and Management Act 2013 was reviewed in 2018 to strengthen natural resources conservation management.

31. The value of total exports increased by 7.7 per cent from Kshs. 597.9 billion in 2017 to Kshs. 643.7 billion in 2020. This was mainly on account of increase in the value of domestic exports of tea, horticulture, coffee, titanium ores and concentrates. Bilateral agreement with the United Kingdom was signed in 2019 to allow Kenyan goods access to UK market duty free and quota free; and African Continental Free Trade Area was ratified to provide market access for goods and services beyond EAC and COMESA. Procurement Preferential list of Commodities and Preferential Master Roll was developed to guide on products that can be sourced locally Under the Buy Kenya Build Kenya (BKBK) initiative while 575 firms adopted the mark of identity for finished products under the National Branding Programme. In addition, the Capital Market Act, 2015 was amended; National Export Strategy developed; Warehouse Receipt System (WRS) Act, 2019 enacted; Commodities Market Regulations Gazetted; and operationalization of the Multi-Commodity Exchange Platform (KOMEX) is at 90 per cent completion.

32. Construction of the first phase of Konza Technopolis complex was completed while construction of Konza horizontal infrastructure was at 60 per cent completion level. A total of 1,200 ICT intern graduates (translating to 100 per cent achievement) were engaged under the Presidential Digital Talent Programme; and additional 210,514 digital devices were procured and distributed to additional 488 public primary schools under the Digital Literacy Program.

33. Significant progress was made in strengthening the Financial Services sector by improving access, efficiency and stability. Financial inclusion (proportion of the population using formal financial services) increased by 7.6 percentage points to 89 per cent in 2020/21 from 75.3 per cent registered in 2017/18. The improved outcome is attributed to growth in Saving and Credit Cooperative Societies (SACCOs), the penetration of mobile financial services and increased partnerships that has brought innovations such as mobile banking, agency banking, digital finance and mobile apps. Towards establishment of Nairobi International Financial Center (NIFC), NIFC Authority was established, a board appointed, and a three-year strategy and business plan developed. In order to deepen Capital Markets, Nairobi Securities Exchange (NSE) Derivatives Market was launched, and Commodity Markets Regulations, 2020 and Coffee Exchange Regulations were approved.

34. Front-End Engineering Design (FEED) and Environmental and Social Impact Assessment (ESIA) for Lokichar-Lamu Crude Oil Pipeline were undertaken. On commercialization of the oil and gas discoveries, a total of 40 Petroleum Exploration Blocks were marketed nationally and internationally. A total of 415,032 barrels of

crude oil were produced and delivered to Kenya Petroleum Refineries Ltd (KPRL) storage terminal, of which a first crude cargo of 240,000 barrels was exported. Petroleum products storage capacity in Mombasa was enhanced by converting one tank at KPRL from crude oil handling to Automotive Gas Oil (AGO) providing additional capacity of 16,872m³. Acquisition, processing and interpretation of geological and geophysical data of 63 petroleum blocks was undertaken to determine marketability of blocks. In addition, physical infrastructure for Geochemical and Petro-physical Laboratory, International Accredited Mineral Certification Laboratory (IAMCL) and Voi Gemstone Value Addition Centre were constructed.

35. Development of the Blue Economy Sector progressed well with Bandari College transformed into Bandari Maritime Academy (BMA) centre of excellence on maritime education and training in the region. The Sector also developed National Fishing and Merchant Fleet with 21 fishing vessels; established Kenya Coast Guard Service (KCGS) to enforce maritime security and safety within the territorial waters and implemented Aquaculture Business Development Programme in 15 counties to increase incomes, food security and nutritional status of the rural poor households.

2.4 Social Pillar

36. Notable progress has been achieved in the social sectors. Gross Enrolment Rate (GER) in Early Childhood Development Education (ECDE) increased from 78.4 per cent in 2018 to 109.4 per cent in 2019. The achievement is due to the policy change requiring every primary school to have an Early Childhood Development Education (ECDE) Centre. This led to an increase of 11.4 per cent in the number of pre-primary centres from 42,317 in 2018 to 46,530 in 2019. The GER for primary school level and secondary school level was 99.6 per cent and 71.2 per cent in 2019 respectively. The Pupil Completion Rate (PCR) increased from 84.2 per cent in 2017 to 85.4 per cent in 2019 and Primary to Secondary Transition Rate increased from 83.1 per cent to 85.5 per cent while enrollment in secondary schools increased by 15 per cent from 2.8 million to 3.2 million during the same period.

37. The Competency Based Curriculum was rolled out up to Grade Five and the curriculum designs and curriculum support materials for Grade 4, 5 and 6 were finalized and disseminated. In addition, the Sector developed curriculum designs for Grades 7, 8 and 9 and the scope and sequence charts for 27 subjects in Grades 10, 11 and 12. Capacity building for over 220,000 curriculum implementers was undertaken as well as training of 400 Quality Assurance Officers on CBC implementation. Further, National Education Management and Information System (NEMIS) was rolled out and used for allocation of capitation grants for Free-Day Secondary Education (FDSE), conducting Form 1 selection, and monitoring the transition of learners from primary to secondary schools.

38. Enrollment in TVET institutions increased by 25.4 per cent from 359,852 in 2018 to 451,205 in 2020. Enrollment in public TVET institutions increased by 33.8 per cent from 274,232 in 2018 to 366,880 in 2020. Out of this, enrolment in national polytechnics grew by 15.6 per cent from 75,346 in 2018 to 87,115 in 2020. Enrollment at the public Technical Vocational Centres (TVCs) increased by 54.1 percent from 84,402 in 2018 to 130,064 in 2020 while enrollment in Vocational Training Colleges (VTCs) increased by 30.8 per cent from 114,484 in 2018 to 149,701 in 2020. Enrolment in both public and private universities increased from 519,462 in 2018/19 to

546,699 in 2020/21. The number of university students receiving university loans increased from 293,249 in 2018/19 to 349,200 in 2019/20

39. The Health Sector registered significant achievements during the Third MTP period. The under-five mortality reduced from 46.4 per 1,000 live births in 2017 to 43.2 per 1,000 live births in 2019 while infant mortality reduced from 21.9 per 1,000 live births in 2017 to 21 per 1,000 live births in 2019. The remarkable improvements are attributed to the increased proportion of women delivering in health facilities under a skilled birth attendant, from 70 per cent in 2017 to 78 per cent in 2020. Immunization coverage increased from 66 per cent in 2017 to 83 per cent in 2020 while Malaria incidence dropped from 113 per 1,000 persons in 2016 to 85 per 1,000 persons in 2020. The HIV prevalence rate declined from 4.7 per cent in 2017 to 4.3 per cent in 2021, while HIV related mortality reduced from 28,214 in 2018 to 19,486 in 2021. The Health Insurance Subsidy Programme (HISP) covered 181,968 poor and vulnerable households while the Older Persons and Persons with Severe Disability (OPPSD) Scheme covered 42,000 persons (39,349 elderly persons and 2,651 severely disabled persons).

40. Key achievements under improvement of health infrastructure include: completion and commissioning of Kenyatta University Referral, Research and Teaching Hospital (KUTRRH) and Othaya Level 5 Hospital; equipping of Mother and Child Unit at KNH; and construction and equipping of Biosafety Laboratory (BSL II) and Isolation Centre/Wards at Moi Teaching and Referral Hospital (MTRH). The Integrated Molecular Imaging Centre (IMIC) at KUTRRH was constructed to facilitate early diagnosis and monitoring treatment of cancer while construction works of three (3) cancer treatment centers in Nakuru, Mombasa and Garissa were completed. In addition, construction of East Africa's Centre of Excellence (East African Kidney Institute) as a Medical Tourism Centre was at 40 per cent completion by June 2021.

41. Towards addressing the COVID-19 pandemic, Covid-19 related ICU beds increased from 319 in 2020 to 503 in 2021 while approved testing laboratories for Covid-19 increased from 2 to 47 over similar period. Oxygen production capacity increased from 3 million litres per day in 2020 to 28 million litres per day in 2021. In addition, a total of 7,063,927 doses had been administered as at 30th November, 2021, out of which 4,354,454 persons were vaccinated with the First Dose administered and 2,709,473 persons with the 2nd dose thus translating to 9.9 per cent of fully immunized adults.

42. The area under forest and tree cover increased from 7.27 per cent in 2018/19 to 7.4 per cent in 2019/20 due to increased tree planting on public, communal and private forest lands. A total of 17,290 acres of degraded mangrove ecosystem was restored; 144,695 acres of new forest areas gazetted; 47,219 acres forest plantations established; and 2,470 acres of bamboo forest established. In addition, a total of 2.95 million acres of mountain ecosystems were sustainably conserved and managed in the five (5) major water towers while a total of 2,944 acres of inland freshwater ecosystems and wetlands protected with main focus on Lakes Victoria and Naivasha.

43. Significant progress was made in the construction of large multipurpose dams namely Siyoi- Muruny dam (69 per cent complete), Thwake dam (55 per cent complete), Yamo dam (62 per cent complete) and Karimenu II dam (35 per cent complete). Development of the Northern connector tunnel was finalized and 90 per cent

of its associated works completed which will inject an additional 140,000 cubic meters of water per day into Nairobi City.

44. The total area under irrigation increased from 504,800 acres in 2018 to 552,000 acres. This was achieved through Rehabilitation, expansion and modernization of public irrigation schemes that has seen the irrigation area increase from 23,055 acres to 50,315 acres; Construction of over 202 irrigation projects across all the 47 Counties mainly under the Expanded National Irrigation Programme (ENIP) with cumulative total of 161,575 acres directly benefiting over 108,077 farmers. These development/ expansion of irrigation areas acres of irrigation yielded approximately 66,000 tonnes of rice and 17,000 tonnes of maize annually. In addition, the sector implemented micro-irrigation for schools programme by installing 120 green houses with water supply in schools.

45. The proportion of population with access to safe drinking water increased from 62.9 percent in 2018 to 65.5 percent in 2020 which served additional 3.86 million people. Likewise, the proportion of population with access to improved sanitation increased from 68 percent in 2018 to 78 percent in 2020. Connection to urban sewerage has progressively improved from 26 percent in 2018 to 27.7 percent in 2020.

46. Kenya's population recorded an inter-censal population growth rate of 2.2 per cent in 2019 compared to a growth of 2.9 per cent in the 2009. The urban population increased from an estimated population of 12 million in 2017 to 14.8 million in 2019. Life Expectancy at birth improved from 61.4 years in 2017 to 67 years in 2019 while the dependency ratio reduced from 81.6 per cent in 2017 to 75 per cent in 2019. Towards achieving the "Big Four" Agenda on increasing access to affordable housing, a total of 1,370 affordable housing units; 462 social housing units; 540 National Police and Prisons Services housing units; and 2300 housing units constructed by Cooperatives. A total of 670 civil servants' houses were constructed while 846 civil servants benefited from mortgage. A total of 20 Appropriate Building Materials and Technologies (ABMT) Centres were constructed and equipped with the aim of promoting sustainable low-cost housing building materials and technologies. In addition, informal settlements benefited from construction of 62 Km of sewer line, 90 Km Water pipeline and 14 Ablution blocks while 3,998 households were connected to sewer line and 7,786 households connected to a water line.

47. Several empowerment programmes were implemented during the review period with Women Enterprise Fund (WEF) disbursing loans amounting KShs.23 billion to 126,299 groups with a total membership of 1,945,476 women, and trained 411,115 women on entrepreneurship skills. Uwezo Fund disbursed a total of Kshs.1.25 billion to 145, 449 individuals in 12,197 groups while National Government Affirmative Action Fund (NGAAF) issued grants to 4,786 groups for socio-economic development and awarded bursaries and scholarships to 92,049 vulnerable students. The Youth Enterprise Development Fund (YEDF) disbursed a total of Kshs.1.3 billion as revolving funds to youth enterprises for business start-ups and expansion benefitting 106,156 youths and trained 208,424 youth on entrepreneurship skills and government affirmative programs. A total 109 Youth Empowerment Centers (YECs) were operationalized while under Kenya Youth Employment and Opportunities Programme (KYEOP), 55,253 youth aged 18 to 29 years were trained in life skills and 50,482

trained in business core values to improve their skills for both survival and business mindset.

48. Cash transfer programmes to Older Persons (OPCT), Orphans and Vulnerable Children (OVC's), Persons with Severe Disabilities increased from 1,070,176 in 2018 to 1,093,000 in 2021 through the National Safety Net Programme (Inua Jamii). Consolidated Cash Transfer Programme Management Integrated System (CCTPMIS) was developed to enable efficiency and transparency in the management of cash transfer. Child Protection Information Management System (CPMIS) was finalized, for real time reporting on children in need of special protection interventions. The number of children re-integrated into communities and provided with psychosocial support increased from 8,575 in 2018 to 37,260 in 2021. Education scholarships under the Presidential Bursary Scheme were awarded to 22,300 OVC's in 2021 which is an increase from 22,000 in 2018, on the other hand, Persons with Disabilities (PWD's) awarded with bursaries and scholarships increased from 1,815 in 2018 to 3,162 in 2021.

49. In the Sports, Culture and the Arts sector refurbishment of Nyayo National Stadium was completed while construction of eleven (11) regional stadia were at different levels of completion. The Sector also completed Phase One of Kenya Academy of Sports at Kasarani; upgraded Moi International Sports Center (MISC) Kasarani to World Athletics standards; hosted 16 international sports competitions; and revised the Anti-Doping Act 2016 in line with World Anti-Doping Code. In addition, the Sector completed the Ultra-Modern Kenya National Library Services Complex (Maktaba Kuu); developed and automated a Digital Library Network Service; supported cultural, creative and arts industry through implementation of the Kshs.100 million Economic Stimulus package; preserved four (4) heritage sites (Kenyatta houses at Lokitaung' and Maralal, Fort Jesus Museum and Dedan Kimathi); and finalized the National Culture and Heritage and National Music Policy.

2.4 Political Pillar

50. During the Third MTP period, the Devolution Sector provided technical support to all the 47 Counties and 5 National Agencies on public finance management, human resource management, monitoring and evaluation, public participation, civic education and intergovernmental relations. To ensure participation of citizens in county governance, the Sector operationalized the Public Participation Guidelines and supported the establishment of Civic Education Units in all the 47 counties. A National Policy on Enhancement of County Governments Own Source Revenue was approved by Cabinet in 2018. Transfers to County Governments as share of revenue raised nationally increased Kshs.316 billion in Financial Year 2018/2019 to Ksh.370 billion in Financial Year 2021/22, translating to 27 per cent of the latest audited revenues of Government which was above the constitutional minimum of 15 per cent. In addition, Intergovernmental relations were enhanced by operationalizing 17 Inter-governmental Sectoral Forums; Assets and Liabilities of the defunct Local Authorities in all counties were identified, verified and registers prepared; and Asset and Liabilities registers for the 14 devolved functions were prepared in 27 counties. Further, the County Government Act (2012) and the Intergovernmental Relations Act (2012) were reviewed while the Alternative Dispute Resolution (ADR) regulations for intergovernmental disputes were developed.

51. Under Governance, Justice and Rule of Law, the Judge to population ratio increased from 1: 315,231 in 2018 to 1: 276,537 in 2021 while a total of 1,053,924 cases were resolved against 1,178,828 cases filed translating to an overall case clearance rate of 89 per cent. To enhance physical access to justice 22 magistrates' courts, eight (8) mobile magistrates' courts, and two (2) High Court stations were established while four (4) High Court Sub-registries were established at Isiolo, Kapsabet, Eldama Ravine and Kilgoris, and 11 court buildings constructed. Alternative forms of dispute resolution were entrenched through establishment of 14 court annexed mediation sub-registries and accreditation of 829 mediators. The Case Tracking Module of the automated Case Management System was rolled out in all courts across the Country and the e-filing module of the system operationalised in all courts in Nairobi. The Sector drafted and finalized 61 pieces of legislation and reviewed 18 laws to be harmonized with the Constitution, and automated and rolled out legal aid to 5 counties.

2.2 Critical Challenges and Emerging Issues

52. Covid-19 pandemic which was first reported in March, 2020 continues to pose significant risk to the global and the Country's economy. Continued emergence of new variants and different waves creates uncertainties with regard to economic recovery in the near-term. The Country will require substantial resources to handle emergencies and undertake vaccination of majority of citizen necessary to achieve herd immunity.

53. Slow uptake of programmes and projects envisaged to be financed through Public Private Partnership (PPP) affected implementation of the Third MTP. This calls for revitalizing the Public Private Partnership Framework by amending the PPP Act (Amendment) Bill, 2017, to ensure speedy approvals for PPP projects.

54. Unemployment especially for the youth remains high at 8.3 per cent as at 1st quarter of 2020. This was compounded by negative effects of Covid-19 pandemic which slowed economic activities, affected performance of MSMEs and closure of businesses. This necessitates promotion of MSMEs, addressing of the skills mismatch between demand and supply, and improved linkage between industry and training institutions.

55. High cost of compensation for acquisition of land for infrastructure development projects, high number of land litigation cases, and high retail electricity tariffs remains a key challenge. These leads to delay, high costs of implementing projects and negatively affects the Country's ease of doing business.

56. Increase in and evolving nature of cyber threats/crimes due to rise in application of ICT in service delivery. This may compromise the security of information and data.

57. The share of Research and Development (R&D) expenditure as a percentage of GDP remained low at 0.58 in 2020/2021 below the target of 2 per cent with the bulk of funding coming from private sector. This among other factors affected the Country's Innovation Index ranking which dropped from position 80 in 2017 to position 85 in 2021. This calls for increased funding for R&D and speedy implementation of Science Technology and Innovation Act, 2013 necessary for promoting technology transfer and commercialization of innovation.

58. The "Big Four" Agenda targeted to increase share contribution of Manufacturing Sector to GDP from 9.2 per cent in 2016 to 15 per cent by 2022. The Third MTP period

experienced a declining share of the sector's contribution to GDP from 8.7 per cent in 2017 to 8.4, 7.8 and 7.6 per cent in 2018, 2019 and 2020 respectively. This trend poses significant challenge in achieving sustainable economic growth and employment creation. This calls for targeted interventions to reverse the trend and put the Sector into a growth trajectory to promote value addition and exports as envisaged in the Kenya Vision 2030.

59. Agriculture Sector continued to register lower than targeted growth performance during the Third MTP period. The Sector is largely rain-dependent and is vulnerable to vagaries of recurring drought, and climate change. In addition, inefficiencies in the agriculture value chain have led to waning interest in production of key cash and food crops such as coffee, sugar, cotton, pyrethrum, tea and maize.

60. Rising oil prices in the world market and subsequent high commodity prices has significantly led to high cost of living in the Country as well as high cost of investments. On the domestic front, slow pace of development in the Oil and Gas sub-sector has delayed its anticipated contribution to the Country's economy.

61. Increased early pregnancies and marriages among learners and persistent Female Genital Mutilation (FGM) practice and re-emergence of the practice among communities which had earlier abandoned it. These practices have ramifications on school completion leading to increased illiteracy levels, and increased dependency due to greater burden to support and provide social services to the vulnerable.

62. The Country has felt the negative effects of climate change as manifested in rising temperatures, change in weather patterns, rising water levels in lakes, drought, and flooding. This calls for continued mainstreaming of climate change adaptation and mitigation interventions in all sectors of the economy.

63. Low Own Source Revenue collection by county governments affects implementation of planned policies, programmes and projects at county level.

3.0 Medium Term Development Strategy

64. Covid-19 pandemic negatively affected global and domestic economic performance in 2020. Although recovery is expected in 2021 and 2022, the effect of the pandemic is still posing significant risk to Kenya's economy. The Fourth MTP will therefore focus on implementing strategic interventions aimed at driving economic recovery to bring back the economy to a sustainable growth trajectory. This is expected to impact positively on lowering poverty levels and reducing income inequality.

65. The Fourth MTP will aim at strengthening macroeconomic resilience for sustained growth. Real GDP is targeted to expand by 9.2 per cent by 2027. Over the medium term period, the Plan will seek to improve economic fundamentals that will include strengthened-robust domestic demand, diversification of economic base, improving domestic savings, increased investments, sustainable fiscal position, managing inflation and promoting sound financial system in order to ensure economic resilience.

66. The MTP will build on gains made so far in key sectors of the economy including completing projects initiated during the Medium Term Plans (MTP I, MTP II and MTP III). It will strive to revitalize performance through productivity enhancement in all sectors of the economy. It will emphasize inter-sector linkages and promote cross-sector collaborations and foster the integration of cross-cutting issues.

67. The Plan will incorporate best practices in climate change mitigation and adaptation, promoting inclusive green economy, and continue fast-tracking implementation of the Sustainable Development Goals (SDGs) and the goals of African Union Agenda 2063.

68. The Fourth MTP will prioritize increased investments in improving infrastructure so as to lower the cost of doing business, which in turn improves national competitiveness and productivity. It will fast-track expansion and rehabilitation of national and county roads, model Jomo Kenyatta International Airport into an aviation hub, expansion and modernization of airports and rehabilitation of airstrips. It will continue modernizing sea and inland ports and expansion/rehabilitation of railway infrastructure to facilitate seamless connectivity. In addition, the Plan will accelerate transition to clean energy, promote energy efficiency and shift to energy auctions as a successor to the feed-in-tariffs policy to address high electricity tariffs.

69. To enhance international relations globally, Kenya will continue expanding her diplomatic presence and representation around the globe so as to enhance the Country's ability to articulate its national interests. The huge and untapped potential of the Diaspora will be harnessed and fully integrated into the national development agenda.

70. The Plan will focus on sustaining peace and security to provide an enabling environment for individuals and businesses to thrive; strengthening security through modernization and reform of the police service; and enhancement border surveillance and control.

71. During the Plan period, the Government will continue transforming the public service to become more citizen-centric and enhancing the productivity, efficiency, and effectiveness of service delivery. The main focus will be to build capacity of public service institutions, harnessing knowledge possessed by retiring and retired public servants, and Business Process Re-engineering and automation of service delivery processes.

72. The Plan will prioritize creation of sustainable and decent employment opportunities, building a pool of skilled, adaptive and enterprising labour force, productivity enhancement, and improving labour market efficiency.

73. The Plan will continue undertaking land reforms that will ensure sustainable land use and development through fast-tracking implementation of National Spatial Plan 2015-2045 and supporting Counties to develop County-specific Spatial Plans. In addition, it will ensure security of tenure, transparent and secure land registration system, and wider access to land titles.

74. The Plan will continue investing in disaster risk management through building community resilience, developing an effective multi-hazard early warning system, developing a disaster risk management legal framework, and strengthening coordination structure both at national and county levels.

75. To bridge the digital divide and promote innovation and creativity, the Plan will focus on expansion and rehabilitation of ICT infrastructure, strengthen high speed and reliable broadband networks, enhancing national cyber-security and supporting hardware and software development industry. In order to promote Kenya as a Business Process Outsourcing (BPO) destination, the Plan will fast-track development of Konza

Technopolis Park, undertake marketing campaigns, and design and implement targeted incentives to improve attractiveness and encourage investment in BPO. Further the Plan will enhance development capacities for science, technology and innovation; establish mechanisms for dissemination and commercialization of research findings; and scale-up research financing.

76. In particular, the Plan will aim at implementing an economic transformation programme that will seek to create employment and propel Kenya's economy into an upper middle-income country. The manufacturing Sector will aim at increasing its share contribution to GDP from 7.6 per cent in 2020 to 15 per cent by 2027 through attracting investment into Special Economic Zones and industrial parks, and promoting growth of local manufacturing industries and Micro, Small and Medium Enterprises (MSMEs). In order to improve the Country's balance of trade, the Plan will focus on product competitiveness, curbing illicit trade, and expanding export market access through establishment of regional and international trade logistic centres as well as taking advantage of Trade Agreements such as Africa Continental Free Trade Area (AfCFTA). The Plan will seek to promote a vibrant and competitive Financial Service Sector driving high levels of savings and investment through deepening capital markets, attracting financial players into the Nairobi International Financial Centre, and improving lending and investment environment

77. The Plan will endeavour to position Kenya among the top ten long-haul and leading regional tourists' destinations offering high end, diverse and distinctive visitor experiences. This will be realized through development of new and unique tourism products and experiences, development of new source markets and strengthening existing ones, and promoting wildlife conservation and management.

78. The MTP will seek to increase agricultural and livestock productivity to spur economic growth, employment creation and support agro-processing. Specifically, the Plan will focus on strengthening institutional support and extension services; scaling-up crop and livestock insurance; enhancing co-operative development and management; improving market access and logistics support to farmers; promote agricultural mechanization, research and development; and expanding irrigation infrastructure.

79. Strategies will be put in place to raise contribution of Oil, Gas and Other Mineral Resources Sector to Gross Domestic Product (GDP) from 0.7 per cent in 2019 to at least 3 per cent by end of the Plan period. Priority will be accorded to increasing investment in up-stream, mid-stream and down-stream infrastructure to facilitate development of the Sector in order to make the Country a hub for oil and gas in the Region. The Plan will also seek to hasten exploitation of opportunities that exists in the Blue Economy Sector and in particular increase investment in fisheries, aquaculture, shipping and maritime industry, and research and development.

80. In order to promote a healthy population that actively participates in social and economic activities, the Plan will seek to expand, upgrade and equip health infrastructure at all levels, and ensure marched health human resources to provide seamless health care services. Social health protection will be enhanced through scaling up of the number of indigents accessing health care through social health insurance. To provide prompt response to public health risks and emergencies, the Plan will increase disease surveillance and health safety intelligence. Priority will also be accorded to establishment and equipping centers for treatment of non-communicable diseases

(Cancer, Cardio-vascular, Diabetes and Renal disease) in collaboration with county governments, private sector and development partners.

81. Under Education and Training, the Plan will seek to provide every learner with world class standards in skills and knowledge by instilling creativity and innovativeness, which are necessary for emerging industrial needs and to thrive in the 21st century. This will be achieved through full implementation of curriculum reforms including Competency Based Curriculum (CBC), Competency Based Education Training, Competency Based Assessment, and capacity enhancement for teaching and non-teaching workforce; education infrastructure expansion; ICT integration in education and training; and special needs education inclusivity. The Plan will also aim at strengthening the linkage between education and industry.

82. Over the Fourth MTP period, focus will be on improving the quality of life of the population by progressively managing population growth rate and increasing life expectancy. To provide affordable housing and promote planned urban development, the Plan will prioritize strengthening of: National Housing Development Fund, Kenya Mortgage Refinancing Corporation (KMRC), and Municipalities to enable them to develop critical urban infrastructure

83. In order to ensure citizens live in a clean environment, the Plan will prioritize environmental conservation and management, increasing tree cover to 10 per cent, transition from linear to circular economy in waste management, and reduction of Green House Gas Emissions. It will also seek to increase the area under irrigation by exploiting the untapped irrigation potential and enhance access to water and sanitation by rolling out the last mile water and sewerage connectivity.

84. The Fourth MTP will enhance inclusiveness towards an equitable society as a commitment to enable all citizens participate in and benefit from the country's prosperity. It will strengthen the role of youth (18-34 years) who constitute about 29 per cent of the Country's population, women, and persons with disabilities in socio-economic development. The Plan will seek to scale-up strategic empowerment programmes to support enterprise development, job creation and income generating activities among youth, women and persons with disabilities. The Plan will also implement strategic interventions to cushion those vulnerable in the society (children, older persons, displaced persons among others) to ensure that they enjoy decent lives.

85. The Fourth MTP will endeavor to harness, manage, develop, regulate and build adequate capacity in the sports industry, promote Kenya's positive and diverse heritage and culture, and develop and nurture talents in the creative and performing arts industry.

86. To accelerate realization of benefits of devolution, the plan will: enhance capacity building and technical support to county governments; fast-track implementation of the National Policy to support enhancement of County Governments Own Source Revenue, undertake Asset and Liabilities registers for the 14 devolved functions, strengthen intergovernmental relations; and promote public participation in policy and decision making at all levels of government.

87. The Plan will focus on access to and expeditious delivery of justice for all through: establishment of High Courts, and Courts of equal status in every County, Magistrates

Courts including mobile courts in every sub-County; expansion of doorways to justice by adopting a multi-door approach to access to justice; and enhancing case management and legal aid. In addition, the Plan will enhance legislative and policy reforms; strengthen governance and advance the fight against corruption at both levels of government.

88. To facilitate its implementation, the Plan will put in place incentives to attract both domestic and foreign investment including increased financing through Public Private Partnership (PPP) and green financing arrangements in implementing programmes and projects. It will also promote private sector development to increase their participation in taking up implementation of programmes and projects. The continued support from the development partners will be promoted to ensure that donor financing is well aligned, harmonized and coordinated in line with the priorities of the Fourth Medium Term Plan. The Plan will also strengthen bilateral and multilateral partnership to access low-cost financing options and learn from, and leverage on each other's experience and innovation to ensure best practice and results in programmes and projects delivery.

3. Medium Term Plan Macro-Fiscal Framework

89. The economic growth prospects in the medium term is premised on the prevailing stable macroeconomic environment in the Country. The huge infrastructural investments and implementation of Medium Term Development Strategies are expected to address challenges of unemployment, poverty and income inequality; and contribute to high economic growth of 9.2 percent by 2027. Exports and imports have been affected by the Covid-19 pandemic and are expected to recover gradually with the implementation of the Economic Recovery Strategy.

Table 1 - Key Macroeconomic targets for MTP 2023-2027

Macro Variable	2023	2027
Real GDP Growth	7.0	9.2
Investment/GDP	25.4	28.5
Domestic Savings /GDP	21.2	24.5
Exports/GDP	12.5	19.5
Imports/GDP	21.9	25.0
Public Debt/GDP	70.2	65.0

4.0 Steps in Production of the Medium Term Plan 2023-2027

90. Annex 1 outlines the Timetable and key steps in preparation of the Fourth Medium Term Plan 2023-2027. It indicates broad activities and sub-activities and their time schedules to guide preparation of the Plan. A Draft MTP is expected to be ready by end of July 2022. Its validation and approval process is scheduled to take place in the period after the General Elections scheduled for August, 2022. The MTP IV (2023-2027) will be launched in January, 2023.

4.1. Formation of Committees

Various committees will be formed to support the production of the Fourth MTP. These include:

4.1.1 The MTP National Steering Committee (NSC)

91. The NSC will comprise all Principal Secretaries and the Solicitor General. It will be chaired by the Head of Public Service. The NSC will provide overall guidance and advise at all stages of the process of production of the MTP. The NSC will meet quarterly.

4.1.2 MTP National Stakeholders Forum

92. The composition and TOR for the MTP Stakeholders Forum (NSF) is highlighted in Annex 2. The NSF will be chaired by the Cabinet Secretary, The National Treasury and Planning and co-chaired by Chairperson Kenya Private Sector alliance (KEPSA). The NSF will provide a forum to obtain views of key stakeholders and consensus on the MTP IV (2023-2027). It will meet quarterly.

4.1.3 MTP Technical Committee

93. The MTP Technical Committee (TC) comprises of Secretaries of the MTP Sector Working Groups. It will also include representatives of the Executive Office of the President and the Vision Delivery Secretariat (VDS). The Economic Planning Secretary, State Department for Planning will chair the TC and the Head Macroeconomic Planning Division will serve as TC's Secretary. The Technical Committee will coordinate production of MTP chapters and Sector Plans. It will also prepare briefs and the necessary documents for NSC and NSF meetings. The TC will meet monthly.

4.2 Medium Term Plan Sector Working Groups

94. Annex 3 outlines the MTPSWG's and their TORs. A total of 25 Medium Term Plan Sector Working Groups (MTPSWG's) will be constituted in line with Vision 2030 Sectors. These are : (i) Tourism (ii) Agriculture and Livestock (iii) Trade (iv) Manufacturing (v) Business Process Outsourcing (BPO) (vi) Financial Services (vii) Oil Gas and Mineral Resources (viii) Blue Economy (ix) Education and Training (x) Health (xi) Environment, Water and Sanitation (xii) Population, Urbanization and Housing (xiii) Gender, Youth and Vulnerable Groups (xiv) Sports, Culture and Arts (xv) Devolution (xvi) Governance, Justice and Rule of Law (xvii) Infrastructure (xviii) Information and Communications Technology (xix) Science, Technology and Innovation (xx) Land Reforms (xxi) Public Sector Reforms (xxii) Labour and Employment (xxiii) Disaster Risk Management (xxiv) Security, and (xxv) National Values and Ethics. The Macro Working Group will prepare a Macroeconomic Framework that will underpin the Fourth MTP. The MTPSWG's will be chaired by Principal Secretaries who are appointed as chairpersons by the Cabinet Secretary, the National Treasury and Planning and each MTPSWG will appoint its own co-chair from among its members. The Director of Planning under the Chairperson will be the Secretary to the MTPSWG.

4.3 Communication Strategy

95. An interactive web portal will be developed and will contain information on the process of preparation of the Fourth MTP. The web portal will provide information on the venue, date and time of NSC, NSF, MTP-TC and MTPWG meetings; County Consultations forums; and Validation fora. The interactive portal will also enable the public and stakeholders to present their views on-line regarding the content and process of preparation of the MTP IV. The State Department for Planning will on regular basis provide briefs on the MTP IV preparatory process through the portal, media and social media platforms.

4.4 Stakeholder Consultations and Consensus Building

96. Consultations and consensus building are an essential part of the planning process. There will be wide consultation in the entire MTP IV preparatory process. This is in line with Articles 10 1(c), 2 (a), and Article 174 (c) of the Constitution that call for the involvement of the public in the formulation of policies and plans.

97. Consultations and consensus building will be undertaken through:

- i. **The National Stakeholders Forum:** The NSF provides a forum to obtain views of key stakeholders and consensus on the MTP IV (2023-2027). The members of NSF will also be required to encourage their respective groups/institutions to participate in MTPSWG's.
- ii. **MTP Sector Working Groups:** Each of the MTPSWG will be required to identify and involve relevant stakeholders in identifying sector policies, programmes and projects.
- iii. **County Consultation Forums:** County consultative forums will be held in all 47 counties to collect citizen's development priorities that will form the basis for the policies, programmes and projects of MTP IV. Key stakeholders from government, private sector, Civil Society Organizations (CSOs), Community Based Organization (CBOs), Faith-Based Organizations (FBOs), women and youth groups, and development partners among others will be invited to participate in the forums. Governors, Cabinet Secretaries, Principal Secretaries and members of the National MTP Stakeholders Forum will be invited to participate in the forums including serving as the forums' resource persons.
- iv. **National Stakeholders Validation Forum:** A one-day National Validation Forum will be held to validate the draft MTP IV.

4.5 Validation and Endorsement

98. The Draft MTP 2023-2027 will be subjected to a validation and endorsement process. Validation and endorsement will be undertaken by the National Steering Committee and Accounting Officers, Parliamentary Committees in charge of planning and the Cabinet. The validation and endorsement process of the draft MTP will take place after the next General Elections scheduled for August 2022.

5.0 Resource Requirements for Preparation of the MTP

99. The budget for preparation of the Fourth MTP is estimated at Kshs. 500 million to be financed in financial years 2021/22 and 2022/23. Given its importance as a national exercise, the Government of Kenya will provide the bulk of the resources. Some components of the cost will be met through development partner assistance.

Annex 1 Timetable for Preparation of Fourth Medium Term Plan (MTP 2023 -2027) and its Sector Plans				
Activity	Sub-Activities	Time schedule	Action to be taken by	Status
1. Develop Concept Note on Fourth MTP 2023-2027	(i) Prepare draft Concept Note	5th July - 30th Sept, 2021	EPS, Director Macro	Done
	(ii) Technical Retreat to Validate draft Concept Note	11th-24th October, 2021	EPS, Director Macro	Done
	(iii) Hold Half-Day validation workshop with MDAs	1st December, 2021	PS Planning	Done
	(iv) Principal Secretaries meeting (NSC) to discuss and approve the Concept Note	14th December, 2021	CS TNT&P, Head of Public Service	Done
2. Formation of MTP IV Committees and Sector Working Groups	(i) MTP IV Stakeholders Forum	Mid December 2021	CS TNT&P	Done
	(ii) MTP IV National Steering Committee (NSC)		Head of Public Service	Done
	(iii) MTP IV Technical Committee		PS Planning	Done
	(iv) Letters appointing Chairpersons of the MTPSWG		CS TNT&P	Done
	(v) Discussion on Theme of MTP IV		CS TNT&P	Done
3. Official Launch of MTP IV Preparatory Process	Hold half day forum to officially launch MTP IV preparatory process	2 nd February, 2022	CS TNT&P	Done
4. Production of MTP Macro-economic framework	(i) MWG meeting on 4 th MTP Macroeconomic framework	Mid- February 2022	Head Macro Division	
	(ii) Preparation of 4 th MTP Macroeconomic framework	End March 2022	MWG	
5. Preparation of MTP IV Draft Chapter	(i) Reports on Review of Achievements, Challenges of MTP III and Identification of Sector Priorities for MTP IV	End February 2022	Chair of MTPSWG	
	(ii) Initial Draft MTP Sector Plans	End April 2022		
	(iii) Revised Draft Sector Plans (Incorporate Inputs from County Consultations)	Mid-June 2022		
6. Consensus Building	(i) County Consultation Forums	March - April 2022	CS TNT&P & PS Planning	
7. Production of Draft MTP 2023-2027	(i) Establishment of Drafting Team	End May 2022	PS Planning, EPS, Director Macro,	
	(ii) First Draft MTP	End June 2022		
	(iii) Revised Draft MTP (Incorporate Government Manifesto)	End September 2022		
8 Validation and Approval Process	(i) NSC meeting to discuss draft MTP	Mid October 2022	Head of Public Service , PS Planning	
	(ii) Discussion and Approval of Draft by Relevant Parliamentary Committees	End October 2022		CS TNT&P
	(iii) National Validation Forum	Mid November 2022		
	(v) Discussion and Approval of Draft MTP by Cabinet	End November 2022		
9. Publication and Launch	(i) Publication of MTP	Mid December 2022	PS Planning	
	(ii) Launch of MTP	End January 2023	H.E The President	
	(iii) Dissemination Forums in all Counties	February - March 2023	CS TNT&P, PS Planning	

Annex 2 Composition of the MTP Stakeholders Forum

1. Chair –Cabinet Secretary, National Treasury and Planning
2. Co-Chair – Chairman, KEPSA
3. Chairperson Council of Governors
4. Clerk National Assembly
5. Clerk Senate
6. Chief Registrar, Judiciary
7. UN Resident Coordinator (to represent UN Agencies)
8. Chair of Development Partners
9. Chair, National NGO Council
10. Chair, Maendeleo ya Wanawake
11. Chair, Youth Representative Organization
12. Chair, National Council for Persons with Disability
13. National Council of Churches of Kenya (NCCCK)
14. Kenya Episcopal Conference (KEC)
15. Supreme Council of Kenya Muslims (SUPKEM)
16. Hindu Council of Kenya
17. Inter-Religious Council
18. CEO, Association of Media Owners
19. Central Organization of Trade Union
20. Federation of Kenya Employers (FKE)
21. Teachers Service Commission

TORs of the MTP Stakeholders Forum

1. Serve as a consensus Building Forum
2. Facilitate the consultative process of preparation of the MTP (2023-2027) by informing Organizations/Institutions members about the planned activities and how they can participate in the preparation of the MTP.
3. Provide input and advice on the organization of the County Stakeholders Forums and participate in the MTP SWGs and County Forums.
4. Advice on action /measures to improve the consultative process of preparation of the MTP.

Annex 3 List of Medium Term Plan Sector Working Groups (MTPSWGs)

Foundations/Enablers

1. Infrastructure
2. Information and Communication Technology (ICT)
3. Science, Technology and Innovation
4. Land Reforms
5. Public Sector Reforms
6. Labour and Employment
7. National Values and Ethics
8. Disaster Risk Management
9. Security

Economic Pillar

10. Tourism
11. Agriculture and Livestock
12. Trade
13. Manufacturing
14. Business Process Outsourcing (BPO)
15. Financial Services
16. Oil, Gas and Mineral Resources
17. Blue Economy

Social Pillar

18. Education and Training
19. Health
20. Environment, Water and Sanitation
21. Population, Urbanization and Housing
22. Gender, Youth and Vulnerable Groups
23. Sports, Culture and Arts

Political Pillar

24. Devolution
25. Governance Justice and the Rule of Law

TOR for MTPSWGs

- (i) Identify and map out key sector stakeholders and undertake consultations during the preparatory process of MTP Sector reports;
- (ii) Undertake situation analysis for the Sector by providing gap analysis and key achievements for outcome indicators in the Third MTP and where possible provide disaggregated data;
- (iii) Identify challenges and emerging issues;
- (iv) Identify flagship programmes and projects based on Flagship Project Identification Criteria, 2021;
- (v) Identify other programmes and projects for implementation in the next 5 years and where applicable, provide targets for the medium term period;

- (vi) In undertaking ToR iv and v, include projects to be funded under Private Public Partnership (PPP) and take into consideration inter and intra sectoral linkages
- (vii) Identify the policy, legal and Institutional reforms to support implementation of the set of programmes and projects;
- (viii) Mainstream cross-cutting issues such as gender, climate change, HIV/AIDS, disaster risks, youth, Persons with Disabilities (PWDs) among others into the sector programmes and projects;
- (ix) Mainstream Sustainable Development Goals, Africa's Agenda 2063 and other regional and international development frameworks;
- (x) Prepare an implementation matrix which includes programmes/project, objective(s), expected output/outcome(s), key performance indicator(s), implementing agencies, sources of funds, and the indicative cost.

Annex 4 Composition and TORs for the Macro Working Group (MWG)

Composition of Macroeconomic Working Group

- (i) PS Planning - Chair
- (ii) PS National Treasury – Co-Chair
- (iii) State Department for Planning
- (iv) The National Treasury
- (v) Kenya National Bureau of Statistics
- (vi) Central Bank of Kenya
- (vii) KIPPRA
- (viii) Kenya Revenue Authority
- (ix) Office of the Controller of Budget
- (x) Commission on Revenue Allocation
- (xi) Parliamentary Budget Office

Terms of Reference

1. Generate the Medium Term Macro-Fiscal Framework for Fourth MTP 2023-2027 including:
 - (i) GDP Growth Rates
 - (ii) Sectoral Growth Rates
 - (iii) Gross Investment/GDP
 - (iv) Gross National Savings /GDP
 - (v) Growth Rate of Exports and Imports (volumes)
 - (vi) Exports and Imports /GDP
 - (vii) Current Account Balance /GDP
 - (viii) Gross International Reserves
 - (ix) Revenue/GDP Ratios
 - (x) Government Expenditure/ GDP
 - (xi) Budget Deficit/GDP
 - (xii) Total Public Debt/GDP
 - (xiii) Domestic and External Debt
 - (xiv) Inflation
2. Targets for job creation including share of formal and informal employment
3. Generate poverty targets
4. Identify /highlight the main policies, legal and institutional reforms needed to achieve the macro forecasts/targets
5. Medium term financing framework (government, private sector, debt, FDI etc)
6. Ensure consistency between key macro variables in the macro framework for the Medium Term Plan.
7. Analysis/assessment of risks to the medium term growth and macro forecasts
8. Draft the Macroeconomic Framework Chapter of the Medium Term Plan