



REPUBLIC OF KENYA

THE NATIONAL TREASURY AND PLANNING

State Department for Planning

THIRD MEDIUM TERM PLAN

2018-2022

Mid-Term Review Report





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THIRD MEDIUM TERM PLAN 2018-2022

Mid-Term Review Report

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FOREWORD

The Government is past mid-way in implementing the Third Medium Term Plan (MTP III) 2018-2022 of Kenya Vision 2030. The theme of the Third MTP is *Transforming Lives: Advancing Socio-Economic Development Through the “Big Four”*. Third MTP outlines policies, programmes and projects that are aligned with the “Big Four” agenda, Sustainable Development Goals, aspirations Africa Agenda 2063 and other regional and international economic development frameworks.

Third MTP provides framework for government budgeting processes and provide basis for budgetary allocation to all sectors of the economy to ensure linkages between planning and budgeting. The Government has been tracking implementation of the Plan through preparation of Annual Progress Reports (APRs). A total of three MTP III APRs have been prepared with the first one covering 2018/2019 and the second and third covering the period 2019/2020 and 2020/2021 respectively. The APRs provides progress made in implementation of flagship projects, the “Big Four” agenda, and other programmes and projects. It is worth-noting that notable achievements have been made in all the MTP III Sectors and Thematic areas.

In order to consolidate progress made in the first three years of MTP III, this Mid Term Review (MTR) has been prepared through a highly consultative process. The broad objective of the Mid-Term Review was to assess the progress made in the achievement of the MTP III goals, objectives, programmes, projects and set targets. The assessment covered the period between 2018/2019 and 2020/2021 (2018-2021 for calendar years) and was based on agreed benchmarks, targets and outcomes as spelt out in the Hand Book of National Reporting Indicators for the MTP III.

The MTR report identifies challenges experienced in each MTP III sector; and recommends ways of fast-tracking implementation of targeted policies, programmes and projects in the remaining Plan period. One of the key challenge faced in implementation of MTP III was the spread of COVI-19 pandemic whose subsequent containment measure adversely affected key economic activities, led to loss of lives and overstretched the health care system capacity and disrupted the education calendar. Due to these effects, the economy contracted by 0.3 per cent in 2020 compared to MTP III target of 6.6 percent. Over the period, the Government put in place strategic measures to mitigate the adverse socio-economic effects of the pandemic and re-position the economy on a steady and sustainable growth trajectory.

This MTR report outlines key findings, lessons learnt and recommendations that will inform the formulation, design and prioritization of policies, projects, and programmes for Fourth MTP 2023-2027 of Kenya Vision 2030. I therefore call upon all policy makers to ensure that this MTR report become basis for fast-tracking implementation of programmes and project in the remaining period of MTP III as well as in conceptualizing development agenda for the Fourth MTP.



Hon. (Amb.) Ukur K. Yatani, EGH
Cabinet Secretary
The National Treasury and Planning

PREFACE

The National Treasury and Planning through the State Department for Planning coordinated the preparation of the Third Medium Term plan (MTP III) 2018-2022 Mid Term Review (MTR) report in line with its mandate of providing leadership in the formulation, implementation as well as monitoring and evaluation of macro and sectoral development policies and programmes. The MTR report documents progress made in implementation of MTP III policies, programmes and projects between the period 2018-2021.

The MTR report was prepared through a participatory manner, entailing extensive stakeholder consultation and involvement. Both qualitative and quantitative data collection methodologies were employed. It involved conducting desk reviews, and interviews and consultations with the MTP III implementing Ministries, Departments and Agencies (MDAs), and stakeholders. Field visits to selected MTP III flagship projects in the Economic and Social pillars, and Enablers were undertaken to ascertain their implementation status as well as establish challenges that may have hindered effective implementation.

The Mid-Term Review process was carried out by independent Consultants through support from United Nation Development Programme (UNDP). I greatly thank staff from Macroeconomic Planning and International Economic Partnerships Directorate for successfully steering the process. I also pass my gratitude to my colleagues Principal Secretaries, and staff of all Ministries, Departments and Agencies for providing data and information regarding implementation of their respective sector policies, programmes and projects.

I sincerely thank the UNDP for supporting the State Department both technically and financially to successfully carry out the Review. I appreciate the leadership of the Cabinet Secretary, National Treasury and Planning for overall guidance in the entire Review process.



Saitoti Torome, CBS
Principal Secretary
State Department for Planning
The National Treasury and Planning

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List of Acronyms

ADR	-	Alternative Dispute Resolution
AGOA	-	African Growth and Opportunity Act
AGPO	-	Access to Government Procurement Opportunities
ASAL	-	Arid and Semi-Arid Land
ASTGS	-	Agricultural Sector Transformation and Growth Strategy
ATDC	-	Agricultural Technology Development Centre
BPO	-	Business Process Outsourcing
CAADP	-	Comprehensive Africa Agricultural Development Programme
CBC	-	Competency Based Curriculum
CIDPs	-	County Integrated Development Plans
COMESA	-	Common Market for Eastern and Southern Africa
CPDD	-	Centre for Product Design and Development
DFZ	-	Disease Free Zones
EDE	-	Ending Drought Emergencies
EEZ	-	Exclusive Economic Zone
EPZ	-	Export Processing Zones
ESIA	-	Environmental and Social Impact Assessment
FEED	-	Front-End Engineering Design
GCCN	-	Government Common Core Network
GCI	-	Global Competitiveness Index
GDC	-	Geothermal Development Corporation
GDP	-	Gross Domestic Product
GER	-	Gross Enrolment Rate
HNWI	-	High Net Worth Individuals
ICMS	-	Integrated Customs Management System
ICT	-	Information, Communications Technology
IPPD	-	Integrated Personnel and Payroll Database
KAIST	-	Kenyan Advanced Institute of Science and Technology
KEBs	-	Kenya Bureau of Standards
KEPSA	-	Kenya Private Sector Alliance
KENGEN	-	Kenya Electricity Generating Company
KIE	-	Kenya Industrial Estates
KITI	-	Kenya Industrial Training Institute
KMA	-	Kenya Maritime Authority
KNSL	-	Kenya National Shipping Line
KOMEX	-	Kenya National Multi-Commodities Exchange
KPRL	-	Kenya Petroleum Refineries Limited
KUC	-	Kenya Utalii College
KWS	-	Kenya Wildlife Services
KYEOP	-	Kenya Youth Employment Opportunities Project
LAPSSET	-	Lamu Port South Sudan Ethiopia Transport
LPG	-	National Liquid Petroleum Gas
MGR	-	Metre Gauge Railway
MSMEs	-	Micro, Small and Medium Enterprises
MTP	-	Medium Term Plan
NDEF	-	National Drought Emergency Fund
NDMA	-	National Drought Management Authority
NIFC	-	Nairobi International Financial Centre
NLIMS	-	National Land Management Information System
NMC	-	Numerical Machining Complex

NOFBI	-	National Optic Fibre Backbone Infrastructure
NPS	-	National Police Service
NTBs	-	Non-Tariff Barriers
NYS	-	National Youth Service
OSH	-	Occupational Safety and Health
PCK	-	Postal Corporation of Kenya
PWD	-	Persons with Disabilities
PPPs	-	Public Private Partnerships
RECTS	-	Regional Electronic Cargo Tracking
SACCOs	-	Savings and Credit Cooperative Organization
SDGs	-	Sustainable Development Goals
SEZs	-	Special Economic Zones
SGR	-	Standard Gauge Railway
SME	-	Small and Medium Enterprises
TEUs	-	Twenty-foot Equivalent Units
TSC	-	Teachers Service Commission
TVET	-	Technical and Vocational Education Training
UHC	-	Universal Health Coverage
UNDP	-	United Nations Development Program

Executive Summary

The Third Medium Term Plan (MTP III) whose theme is *Transforming Lives: Advancing socio-economic development through the “Big Four”* is aligned to the Jubilee Government Manifesto of 2017. In furtherance of Kenya Vision 2030, it focuses on achieving the “Big Four” initiatives, the Sustainable Development Goals and aspiration of Africa Agenda 2063. As such, MTP III builds on the achievements in implementing the first and second MTPs.

The Mid-Term Review (MTR) of MTP III aims at evaluating the implementation of policies, programmes, and projects based on outputs/outcomes performance indicators and targets as spelt out in the National Reporting Indicator Handbook for the Third MTP 2018-2020. Specifically, the MTR, assesses the extent to which the MTP III goals and objectives were achieved between 2018/2019 and 2020/2021. The MTR identifies the challenges experienced over the period and also makes recommendations on actions and steps that are needed to fast-track implementation of targeted policies, programmes and projects in the remaining Plan period. The findings, lessons learnt and recommendations from the review will inform the formulation, design and prioritization of policies, projects, and programmes for the Fourth MTP 2023-2027 of Kenya Vision 2030.

The “Big Four” Agenda

The “Big Four” Agenda focuses on Food and Nutrition Security; Manufacturing; Universal Health Coverage (UHC) and Affordable Housing. Under the Food and Nutrition Security, the Plan’s focus is to achieve 100 per cent food security through expansion of food production and supply while under Manufacturing Sector, the Plan intends to expand the contribution of the sector to both GDP and employment in the Country. Universal Health Coverage (UHC) focuses on rolling-out the UHC in the whole Country following the implementation of the pilot programme. The target for the Affordable housing initiative is to construct 500,000 housing units across the country.

Food and Nutrition Security seeks to achieve 100 per cent food security through expansion of food production and supply, reduction of food prices to ensure affordability, and also to support value addition in the food processing value chain. The review indicates that the area under irrigation increased from 484,000 acres in 2018 to 600,000 acres by 2021, which constitute 31 per cent of the irrigation potential while industrial crops, such as cotton and pyrethrum, were also revitalized. The review also shows that the Government rolled out support to smallholder high need households in 33 Counties involved in production of Maize, Irish potatoes, Rice, Coffee, Sorghum and Green Grams where a total of 47,100 farmers accessed assorted subsidized inputs (fertilizer, seed, lime, agrochemicals). In addition, dairy farming across the country was facilitated through distribution of 5.042 million doses of semen, operationalization of three (3) liquid nitrogen plants, and the setting up of milking cooling plants across the country.

In the Manufacturing sector, fifteen (15) public and private Special Economic Zones (SEZs) with development of masterplan and resettlement of squatters in the Dongo Kundu SEZ undertaken. Other achievements include the modernization of Rivatex East African Limited machinery, Kenanie Leather Park Common Effluent Treatment Plant (CETP) and construction of the Textile hub at EPZ Athi River which recorded 92 per cent, 65 per cent and 62 per cent completion levels, respectively. To support

Agro Food Processing Programme the construction of two (2) Agro-processing cold storage facilities in Nyandarua and Meru was undertaken with completion rates standing at 98per cent while the Kisii cold storage facility stood at completion rate of 95per cent. KIRDI and Numerical Machining Complex (NMC) was also strengthened to facilitate the manufacture of Machinery, Equipment and Industrial Parts.

Under Universal Health Coverage (UHC), UHC was piloted in four counties (Nyeri, Machakos, Isiolo and Kisumu) under Phase I with, a total of 3.2 million Kenyans being registered as beneficiaries. In order to address cancer disease, three comprehensive regional cancer centres, namely; Mombasa, Nakuru, and Garissa were established with the Mombasa centre being operationalized. Another key achievement was the raise in the ratio of doctor to population per 10,000 increased from 1.5 in 2018/19, to 2.9 in 2020/21, while the Nurse to population per 10,000 also increased from 11.3 to 12.9 over the same period. A total of 42,000 households (39,349 elderly and 2,651 PWSD) were facilitated to access NHIF Cover under the health subsidy program.

Under affordable housing programme, the government constructed 3,088 affordable housing units and 924 social housing units between 2018/2019 and 2020/2021. This was, however, below the set target. To facilitate housing financing, a key achievement was the establishment of the Kenya Mortgage Refinance Company (KMRC) in 2018 to provide mortgage liquidity to Primary Mortgage Lenders (PMLs) in order to boost mortgage uptake in the country. High cost of land acquisition and building materials remained a key challenge in implementation of this Agenda.

The Macroeconomic Framework: During the review period, real Gross Domestic Product (GDP) expanded by 5.6 in 2018 and 5.1 per cent in 2019 before contracting by 0.3 per cent in 2020. The review indicates that Covid-19 pandemic, and the subsequent containment measures, had serious negative impacts on key sectors of the economy in 2020. Growth, however, picked up to in 2021 rebounding by 7.5 per cent following the relaxation of COVID-19 measures, coupled with stronger performance in all sectors except agriculture. The Central Bank of Kenya Monetary Policy Committee (MPC) revised the Central Bank Rate (CBR) on a regular basis over the period in order to ease inflationary pressures.

ENABLERS/FOUNDATIONS FOR NATIONAL TRANSFORMATION

Infrastructure: The Government continued with infrastructure improvement across the country to expand mobility and country's competitiveness. The first berth at Lamu Port was completed and launched in May 2021, construction of Standard Gauge Railway (SGR) phase 2A (Nairobi-Naivasha) was completed and operationalized in 2019/2020 while Meter Gauge Rail from Nairobi-Nanyuki and Nairobi-Kisumu rehabilitated. To improve Shipping and Maritime Facilities, Second Container Terminal Phase II and III at Mombasa was 92 per cent completed, Kisumu Port Phase I project was completed, equipped, and operationalized in 2019, and Kipevu Oil Terminal was relocated with new terminal having the ability to hold and offload volumes from four vessels at once. A total of 161,842Km of roads were maintained comprising of 4,213.49Km periodic maintenance, 156,567.66Km routine maintenance and 1060.85 Km under roads 2000. In order to decongest cities and urban areas, a total of 129.58 Km of By-passes and 53.3km missing link road were constructed. Under energy sub-sector, a total of 639MW was installed increasing the installed generation capacity from 2,351MW in 2018 to 2,990MW in December 2021. By December 2021, a total of 1.96 million customers were connected to the grid, thus pushing the overall connectivity to over 8.74 million customers translating to about 75per cent electricity access rate for the country.

Information, Communication and Technology (ICT): Significant progress was made in ICT with mobile network coverage increasing from 93 per cent in the 2018/2019 to 96 per cent in FY 2020/2021. The proportion of population with internet connectivity increased and surpassed the targets for all the years. A total of 2,500Kms of National Optic Fibre Backbone Infrastructure (NOFBI) was laid with all Counties connected to NOFBI. The Data Protection Act, 2019 was enacted to regulate the processing of personal data.

Science, Technology and Innovation (ST&I) sector is a key enabler and aims at driving the transformation agenda by ensuring that all sectors have access to new technologies in order to increase productivity and efficiency. Research funding as a per centage of GDP fell below the targets of 1.1 per cent in 2019/20 and 1.3 per cent in 2020/2021, however, the share increased gradually from 0.8 per cent in 2019/20 to 1.3 per cent in 2020/2021. The establishment of Kenyan Advanced Institute of Science and Technology (KAIST) at Konza City was initiated with support from the Republic of South Korea while three (3) centres of excellence were established at Egerton University, Jaramogi Oginga Odinga University of Science and Technology (JOUST), and Moi University.

Land Reforms: A total 1,497,047 title deeds were processed and issued by December 2021 while over 160, 000 land parcels were Geo-referenced. A National Land Management Information System (NLIMS) was developed with one registry (Nairobi registry) fully digitized. A total of 868 km of the National boundary were surveyed and maintained and 1,099 boundary pillars established along Kenya and the neighboring countries.

Public Sector Reforms: During the period under review, within the Integrated Service Delivery Models, (7) Seven Huduma Centres were established increasing the total number of centers to 52 across the country. Huduma Kenya connected 21 Centres to the National Optic Fibre Backbone (NOFBI) to enhance services' reliability which facilitated over 50 services being uploaded to the Huduma platform. In addition, over 80 service delivery processes were re-engineered in public service institutions while registration of Kenyans abroad under the National Integrated Information Management System (NIIMS) was undertaken.

Labour and Employment Sector: Jobs created in 2019 rose by 2.8 per cent to 847,200 from 823,800 in 2018. COVID-19 pandemic and subsequent containment measures led to job loss of 736, 000 in 2020 before rebounding to 926,000 in 2021 due to the relaxation of the COVID-19 containment measures. To enhance job creation, a National Internship Policy and Guidelines was developed leading to placement of 4,000 youth on internship through the National Employment Authority; Grants and Business Development Services (was provided to 57,935 youth and a total of 8,162 MSEs through Kenya Youth Employment Opportunity Project; and Sessional paper No. 5 of 2020 on *Kenya Micro and Small Enterprises Policy* for Promoting Micro and Small Enterprises (MSEs) for Wealth and Employment Creation was developed.

Ending Drought Emergencies: The number of people requiring food assistance as a result of drought emergencies reduced from 2.56 million 2018/19 to 2.3 million in 2020/21 due to targeted interventions in the Sector. Over review period there was increased investments in resilience building (water harvesting, dam construction, water pans, irrigation and livestock marketing infrastructure) by both the national and county Governments in the ASAL Counties which contributed to reduced stress from drought.

Security, Peace Building and Conflict Resolution: The Police Population ratio was at 1:458 against 1:420 target, in 2018/2019 and has reduced progressively to 1:536 in 2019/2020 and 1:470 in 2020/2021 against 1:420 and 1:403 in the same years respectively and were below the UN threshold of 1:450. The National Police Service operationalized the Command-and-Control Center (IC3) in Nairobi and Mombasa in order to improve crime surveillance, deterrence and response. The equipping of the National Forensic Laboratory was 60 per cent complete. The government continued to modernize National Police Service and Kenya Defense Force through the acquisition and distribution of assorted security equipment.

THE ECONOMIC PILLAR

Agriculture and Livestock: The Sector grew by 5.7 per cent which was within target in 2018. However, the sector grew by 2.7 per cent in 2019, 4.6 per cent in 2020 and contracted by 0.2 per cent in 2021 thus falling below the set targets. The lower than the targeted growth in 2019 and 2021 was occasioned by insufficient rainfall that led to constrained agricultural production. Several interventions were implemented to increase crop and livestock production. Measures included implementation of input subsidy program, disease surveillance and control, crop and livestock insurance, and expansion of the irrigation program.

Manufacturing: The sector contribution to GDP declined from 8.4 per cent in 2018 to 7.9 per cent in 2019, 7.6 per cent in 2020 and further to 7.2 per cent in 2021 against the “Big Four” target of 15 per cent by 2022. Key challenges included proliferation of counterfeit, dumping and substandard goods; and high cost of production of locally manufactured goods.

Tourism: The sector was hardest hit by Covid-19 pandemic and subsequent containment measures. Tourism earnings and international tourist arrivals declined by 44 per cent 71.5 per cent respectively in 2020. Re-designing the Mama Ngina Drive to an iconic international standard sea front was completed and operationalized while a Cruise ship terminal was constructed at Mombasa Port. Kenya Tourism Board continued with tourism promotion and marketing whose aim remains making Kenya a tourism destination of choice.

Trade: The share of retail and wholesale trade contribution to GDP declined from 8.2 per cent in 2018 to 7.9 per cent in 2021. This was attributed to the reduction of the movement of goods and services within the region due to the COVID-19 pandemic. However, the total value of exports increased from KShs.596.68 billion in 2018 to KShs.743.67 billion in 2021. This was attributed to an increase in the value of domestic exports of tea, horticulture, coffee, titanium ores and concentrates, and the increased market access within Africa, following the signing of the Africa Continental Free Trade Area (AfCFTA) agreement.

Business Process Outsourcing (BPO) and IT-Enabled Services (ITES): During the review period, Construction of Konza Complex Phase IA was completed while Konza horizontal infrastructure (Roads, Parks, Public Facilities, Streetscape) was 70 per cent complete. Under Digital Literacy Program (DLP), a total of 21,638 public primary schools were installed with ICT digital devices, under DLP Phase I and two, local device assembly plants were established at Jomo Kenyatta University of Agriculture and Technology (JKUAT) and Moi University. A total of 1,600 Graduates have benefitted from the Presidential Digital Talent Programme.

Financial Services: The Sector contribution to GDP rose from 6.7 per cent in 2018 to 7.1 per cent in 2021. The proportion of the population using formal financial services rising from 75.3% of the adult population in 2016 to 89% in 2020. This was mainly driven by growth in use of mobile phone money services. The sector continued to deepen capital markets, modernize supervision and digitizing payments.

Oil, Gas and Other Minerals: A total of 415,032 barrels of crude oil was produced against a target of 600,000 barrels. The first export of crude cargo, totaling 240,150 barrels, was undertaken in August 2019 under the Early Oil Pilot Scheme (EOPS). A total of 35,000-6Kg LPG cylinders were distributed against a target of 150,000 under the 'Mwananchi LPG Project'. The National Airborne Geophysical Surveys work was initiated, while Internationally Accredited Mineral Certification Laboratory was constructed. In addition, the acquisition of an Atomic Absorption Spectrometer (AAS) commenced.

Blue Economy: The Sector contribution to GDP in terms of fishing and aquaculture is estimated to have increased from 0.5per cent in 2018 to 0.7per cent in 2021 against the target of 3per cent and 5.4per cent respectively. Fish and fish product export value reduced fromKshs.3 billion in 2018 toKshs.2.7 billion in 2020. The exports, however, increased toKshs.3.4billion in 2021. The Kenya National Shipping Line was revived and its operations restructured, while the Kenya Coast Guard Service was established to enhance monitoring, control and surveillance in the Exclusive Economic Zone (EEZ). Construction of Fish Markets and rehabilitation of Fish Landing Sites were also expanded.

THE SOCIAL PILLAR

Education and Training: Gross Enrolment Rate (GER) in Early Childhood Development Education (ECDE), and Secondary increased from 78.4 per cent and 70 per cent in 2018/2019 to 110.6 per cent and 71.8 per cent in 2020/2021 respectively. Gross enrolment in TVET increased from 260,261 in 2018/2019 to 36,090 in 2020/2021 due to increased establishment of TVET institutions across the country. The Government achieved the Teacher pupil ratio of 1:40 in primary and secondary education. Other notable achievement within the sector was the rolling out of a new education system based on the Competency Based Curriculum (CBC).

Health: Emergence of COVID-19 pandemic caused unparalleled stretches in health systems and economic disruptions. This led the Government to institute several measures aimed at containing the spread of the virus and as at 31st December 2021, the number of confirmed COVID-19 positive cases and related deaths were 295,028 and 5,378 respectively. Over the review period, the number of health facilities increased by 13.4 per cent from 12,464 in 2017 to 14,137 in 2021, deliveries in health facilities increased by 30.8 per cent from 899,182 in 2017 to 1.2 million while doctor-population ratio and Nurse-population ratio increased from 2 and 10 in 2018/2019 to 2.9 and 12.6 in 2020/2021 respectively. The Government scaled-up Social Health Protection Programme and Health Infrastructure Programme as drivers of Universal Health Care coverage.

Environment, Water, Sanitation, and Regional Development: The proportion of land area under forest cover increased from 7.27 per cent in 2018 to 8.83 per cent in 2021. The water supply coverage increased from 62.9 per cent in 2018 to 65.5 per cent in 2021 while sanitation coverage increased from 70 per cent in 2018 to 82.5per cent in 2021. Integrated Regional Development Programme and projects were implemented by Regional Development Authorities (RDAs).

Population, Urbanisation and Housing: Kenya's Population size increased from 38.8 million people in 2009 to 47.6 million people in 2019 representing an increase of 23 per cent. A total of 44,865 housing units comprising 9,056 by government and 35,808 by the private sector were constructed. In order to enhance financing for housing, the National Housing Development Fund (NHDF) was established. Further, Population and Development Advocacy, and Population and Development Research were undertaken.

Gender, Youth and Vulnerable Groups: The cash transfer beneficiaries by sex for the PWDs were 34,294 (6,918 Females, 27,376 Males), the OVCs were 275,767 (219,917 Females, 55,850 Males) and the older persons were 757,744 (465,498 Females, 292,246 Males). The Government scaled-up Women Enterprise Fund (WEF); Uwezo Fund; National Government Affirmative Action Fund (NGAAF); Access to Government Procurement Opportunities (AGPO); and Youth Enterprise Development Fund (YEDF) to empower women, youth and Persons with Disabilities.

Sports, Culture and the Arts: Four national stadia were completed; upgrade of Nyayo and Kinoru stadia to international standards were completed; while upgrade of seven regional stadia were at different levels of completion. The Sports, Arts & Social Development Fund was established to provide funding for projects and programs in the sports sub-sector. The ultra-modern national library '*Maktaba Kuu*' located at Upper Hill in Nairobi was completed while 9 monuments were identified and rehabilitated.

POLITICAL PILLAR

Devolution: Several policies and legal reviews aimed at strengthening devolution and political governance were undertaken. The National Capacity-Building Framework (NCBF) was implemented aimed at building capacities of county government. Inter-governmental relations were strengthened through development of the Regional Economic Blocs Policy, formulation of regulations on Intergovernmental Relations Act and County Governments Act, reviewing and making amendments to the Intergovernmental Relations Act, 2012 and County Governments Act, 2012.

Governance, Justice and the Rule of Law: The judges to population ratio improved from 1:302,957 in 2018/2019 to 1:317,095 in 2020/2021. A total of seven (7) Appeal judges, nine (9) Employment & Labour Relations Court judges, and 18 Environment and Land Court judges were appointed. There was marked improvement of case clearance averaging 87 per cent during the review period. To enhance access to justice, two (2) High Court stations and 24 Environment & Land Courts were established. Further 22 Magistrates' Courts were gazetted and eleven (11) new mobile magistrates' courts established.

THEMATIC AREAS

HIV and Aids: Increased access to Anti-Retroviral Therapy (ART) as well as enhanced behaviour change led to decline of HIV prevalence from 4.7 per cent in 2018/2019 to 4.3 per cent in 2020/2021. Adult new infections decreased from 52,767 (2018/2019) to 28,146 in 2020/21 indicating a drastic decline achieved mainly due to aggressive HIV and AIDS prevention and advocacy campaigns among the sexually active population.

Climate Change: climate change remains key challenge to performance in all sectors of the economy. Over the review period, GHG Emission per year (CO₂eMt) were above target increasing from 96 in 2018/2019 to 97 in 2019/2020 and further to 98 in 2020/2021. A total of thirty-eight (38) County Climate Change Funds (CCCFs) were operationalized and were assisted to develop County Specific

Climate Change Policies and set up County Climate Change Units. In addition, Kenya's National Measurement, Reporting and Verification (MRV) system for reporting greenhouse gas (GHG) emissions, mitigation and adaptation actions across sectors was established.

Disaster Risk Management (DRM): Over the period under review, the number of deaths, missing persons and those affected by disaster declined from 255 per 100,000 people in 2018/19 to 25 per 100,000 people in 2020/21. The decrease was as a result of increased use of Multi Hazard Early Warning Systems in all the 47 counties. Further, a total of 19 counties enacted Disaster Risk Management (DRM) legislative frameworks during the reporting period.

1.0 INTRODUCTION

1.1 Kenya Vision 2030

Kenya Vision 2030 is the Country's long-term development strategy that aims to propel the economy towards a middle-income country by 2030. The Vision seeks to improve the prosperity of all Kenyans through implementation of flagship projects and key programmes across the country. To entrench Kenya Vision 2030 as the long-term development strategy for Kenya the Sessional Paper Number 10 of 2012 was approved by the Parliament.

The Vision is implemented through a series of five-year Medium Term Plans (MTPs). The First and the Second Medium Term Plans were implemented between 2008-2012; and 2013-2017 respectively. The Third Medium Term Plan (MTP III) is therefore the third in the series of Medium Term Plans and covers the period 2018 to 2022. Each of these MTPs have a select number of flagship projects, and other priority programmes and projects spread across all the regions of the country to facilitate equitable development. The MTPs are pragmatic, and by design take due cognizance of the national, regional and global developments while bringing on board the country's political context under which it is developed. The latter is ensured through incorporation of the main policy thrusts outlined in the respective manifestos of the Government administrations coming to power after the country's 5-year electoral cycles that coincides with development planning process.

The Medium Term Plans also serves as key policy avenues for recognizing the structural changes of the Country's economy. Oil, Gas and other Mineral Resources and the Blue Economy sectors were introduced during MTP II and MTP III respectively, under the Economic Pillar. This was due to the realization of the potential to Country's growth expected from exploitation of resources in these crucial sectors.

1.2 Third Medium Term Plan (2018-2022)

The Third Medium Term Plan (MTP III) whose theme is *Transforming Lives: Advancing socio-economic development through the "Big Four"* is aligned to the Government Manifesto of 2017. MTP III builds on the achievements in implementation of the first and second MTPs. It prioritizes implementation of the "Big Four" initiatives aimed at creating jobs and enabling citizens to meet their basic needs. The initiatives are: increasing the manufacturing share of Gross Domestic Product (GDP) from 9.2 per cent to 15 per cent and agro-processing to at least 50 per cent of total agricultural output; providing affordable housing by building 500,000 affordable houses across the country; 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 per cent Universal Health Coverage.

Moreover, MTP III focused on moving the economy towards a high growth trajectory to achieve 7 per cent economic growth by the end of 2022. The Plan targeted to increase the level of savings and investment, enhance productivity of investment in all sectors of the economy as well as undertake fiscal consolidation in a stable macro-economic environment. Further, it aimed at effecting structural changes in the economy towards increasing the shares of manufacturing, industrial and exporting sectors together with prioritizing development of the oil and mineral resources sector and the blue economy,

which were expected to play a key role in contributing to higher economic growth over the period and beyond.

The objectives of the Sustainable Development Goals (SDGs) were integrated into policies, programmes and projects outlined in MTP III. The Plan was also aligned to Africa's Agenda 2063 and its First 10-year Implementation Plan (2013-2023) and other regional and international development commitments.

Progress on implementation of the MTP III is tracked through Annual Progress Reports (APRs) which assess the level of implementation of projects and programmes against outputs/outcomes. In addition, Mid-Term Reviews (MTRs) and End Term Reviews are undertaken at the Mid-point and End-point of Plan period respectively to provide an assessment on the extent to which policies, programmes, and projects have been realized.

1.3 Mid-Term Review and its Preparation

The Mid-Term Review of Third Medium Term Plan aims at evaluating implementation of policies, programmes, and projects based on outputs/outcomes performance indicators and targets as spelt out in the National Reporting Indicator Handbook for the Third MTP 2018-2020. Specifically, the review assesses the extent to which the MTP III goals and objectives were achieved between 2018/2019 and 2020/2021 (for annual data it covers the period between 2018 and 2021); identifies challenges experienced; and recommends ways of fast-tracking implementation of targeted policies, programmes and projects in the remaining Plan period. The findings, lessons learnt and recommendations from the review will inform the formulation, design and prioritization of policies, projects, and programmes for Fourth MTP 2023-2027 of Kenya Vision 2030.

The review process was carried out in a participatory manner, entailing extensive stakeholder consultation and involvement. Both qualitative and quantitative data collection methodologies were employed. It involved conducting desk reviews, and interviews and consultations with the MTP III implementing Ministries, Departments and Agencies (MDAs), and stakeholders. In addition, field visits to selected MTP III flagship projects were undertaken to ascertain their implementation status as well as establish challenges that may have hindered effective implementation.

1.4 Organization of the Report

The Report is organized into four (4) parts. Part one gives an overview of the Kenya Vision 2030 and the Third Medium Term Plan. It expounds on the main MTP III goals, objectives and targets and summarizes the purpose of the Mid-Term Review as well as the methodology used in carrying out the review process. Part Two gives the implementation progress of the planned programmes and projects under the “Big Four” Agenda. Part three of the Report provides progress on implementation of the MTP III in six focus areas namely: The Macroeconomic framework; foundations for national transformation; economic pillar; social pillar; political pillar and thematic areas. Part four outlines key challenges and emerging issues that slowed the implementation of policies, programmes and projects, and main lessons learnt during implementation of the Plan. It also provides general recommendations to be addressed in the remaining period of MTP III as well as incorporation in Fourth MTP 2023-2027 policies, programmes and projects.

2.0 PROGRESS MADE IN IMPLEMENTATION OF THE “BIG FOUR” AGENDA

2.1 Overview

The “Big Four” Agenda was incorporated into MTP III to accelerate jobs creation and enhance citizens access to basic needs. The Agenda focuses on Food and Nutrition Security; increasing the manufacturing share of GDP to 15 per cent and agro-processing to at least 50 per cent of total agricultural output; Universal Health Coverage (UHC) and Affordable Housing. The “Big Four” objective is to accelerate the achievement of Vision 2030 aspirations as they address issues that have the greatest impact on the well-being of all Kenyans. The “Big Four” initiatives are also in line with the goals of the 2030 Agenda for Sustainable Development, and the Africa Agenda 2063. The performance of the respective initiatives is discussed below:

2.2 Increasing the manufacturing share of GDP to 15 per cent and agro-processing to at least 50 per cent of total agricultural output

This initiative aims to increase the share of manufacturing contribution to GDP from 9.2 per cent in 2016 to 15 per cent by 2022 through establishment of industrial parks, Special Economic Zones (SEZs), and implementation of policies to boost processing of textiles, leather, oil, gas, construction material, foods, fish, iron and steel. The Agenda conforms to SDG 9, which is to build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation. During the review period, the following was achieved:

Special Economic Zones Programme: Fifteen (15) public and private Special Economic Zones (SEZs) were gazetted. These included three Public SEZs namely: Konza Technopolis, Naivasha Industrial Park and Dongo Kundu SEZ and twelve (12) private SEZs namely: Tatu City, Africa Economic Zone (AEZ), First Logistics Limited, Compact Free Trade Zone, Northlands SEZ, SBM (Taru) SEZ, Kipipiri SEZ, Kipevu LPG SEZ, Kipevu Free Trade Zone, Focus Free Trade Zone, Sleeping Warrior SEZ and Lamu Golf and Resort SEZ.

Industrial Clusters Development Programme: Modernization of Rivatex East African Limited machinery reached 92 per cent level of completion while the civil works for Athi River industrial cluster were 90 per cent complete, this led to increased daily consumption of lint from 4 tonnes to 14 tonnes. In addition, the Cotton Revitalization Programme was introduced with the aim of expanding the cotton production. The Kenanie Leather Park Common Effluent Treatment Plant (CETP), was at 65 per cent completion as at 2021 while construction of a precast wall was completed. In addition, construction of the Textile hub at EPZ Athi River was at 62 per cent completion level leading to an increase in value of exports to KShs.85.405 billion in 2021 from KShs.73.563 billion in 2018. Further, KShs.17.183 billion new direct investments were attracted.

Agro Food Processing Programme: The construction of two (2) agro-processing cold storage facilities in Nyandarua and Meru was at 98 per cent completion while Kisii cold storage facility was at 95 per cent. Equipping of the three (3) cold storage facilities was also initiated. A total of 1,600 students/entrepreneurs were trained in Kenya Industrial Training Institute (KITI) while Kenya Industrial

Research and Development Institute (KIRDI) trained 1,000 manufacturing entrepreneurs on agro-processing and value addition technologies.

Manufacture of Machinery, Equipment and Industrial Parts: KIRDI manufactured 25 assorted agro-processing machinery and equipment for use by Small and Micro Enterprises (SMEs). Numerical Machining Complex (NMC) designed and developed a prototype combined harvester and a small tractor being used at Jomo Kenyatta University of Agriculture and Technology for testing awaiting mass production. The modernization of NMC's Foundry Plant & Computer Numerically Controlled (CNC) & Fabrication Workshop was at 33 per cent level of completion. The quantity of castings produced and transmission parts was 240.4 tonnes and 340,900 pieces respectively. NMC produced transmission and industrial spare parts and components for local industries such as Kenya Power and Lighting Company, Tata Chemical, Kenya Port Authority, Kengen, East African Portland Cement among others.

The implementation of the Legal Notice No. 84 of 2019 on tax procedures increased the number of motor assemblers from 4 to 23 and increased direct and indirect employment by 3,200. Further, the requirement that leased Government vehicles must be locally assembled boosted local assembly of motor vehicles from 8,000 to 13,000 units. NMC manufactured 2,794 units of wheel spacers and shackles for Isuzu East Africa under local production of components.

Promotion of Investments (Domestic and Foreign): A One Stop Center for investors e-opportunities and an e-regulation portal were operationalized and the Kenya Investment Policy adopted. The one-stop shop centre facilitated a total of 43 project proposals worth KShs.156.94 billion. To improve ease of doing business, Government processes were re-engineered, and 13 Acts of Parliament and 45 subsidiary legislations were enacted.

Upgrade of Research Laboratories Infrastructure: The construction of research, technology and innovation laboratories at KIRDI South B reached 79.5 per cent completion level. A total of 34 prototypes/ technologies were developed and transferred to Micro, Small and Medium Enterprises (MSMEs) while 106 MSMEs products were upgraded to attain global competitiveness. In addition, 568 industrial designs, 385 utility models, 2,265 patents and 14,336 trademarks were registered.

Emerging Issues and Challenges

Emerging Issues

- i) Fourth Industrial Revolution (4IR) which precipitates cutting-edge technology in production (Internet of Things, Robotics, Artificial Intelligence, Block Chains, Big Data, and 3D Printing) are technologies that developing countries have not fully adopted yet they are key for enhancing productivity and efficiency;
- ii) The dynamic nature of global Industrial trends affect the kind of products consumers would wish to buy in the unforeseen future necessitating an examination of the various disruptive effects anticipated; and
- iii) The growing need for Green Manufacturing and Circular Economy.

Challenges

- i) Inadequate skills and capabilities especially on new technologies in Manufacturing sector;
- ii) Delays in implementation of Special Economic Zones and Small and Medium Enterprises (SMEs) Industrial Parks Programs due to high initial capital outlay; and
- iii) Inadequate access to financial services for industrial development especially by MSMEs.

Recommendations

- i) Enhance access to affordable long-term financing and credit facilities;
- ii) Promote the uptake of PPPs as an alternative source of funding for programmes and projects;
- iii) Enhance local capacity to adopt new technologies in manufacturing;
- iv) Enhance local capacity for supply of raw materials and diversify external sources; and
- v) Package Special Economic Zones and Industrial Parks to attract investments.

2.3 Food and Nutrition Security

The Food and Nutrition Security initiative intended to achieve 100 per cent food security through expansion of food production and supply, reduction of food prices to ensure affordability, and support value addition in the food processing value chain. This was to be achieved through boosting agricultural productivity necessary for increasing farmers' income as well as reducing the cost of food. Key interventions included: expansion of land under irrigation, putting 10,000+ acres under performance management; provision of enhanced extension services as well as subsidized farm inputs; scaling up livestock and crop insurance, development of the blue economy and fisheries and promotion of export of crop and livestock products to regional and international markets. The following was achieved during the review period:

Enhancing large scale crop production: Additional land under irrigated crop production (maize, potatoes, rice, cotton, horticultural crops) and pasture increased from 15,569 acres in 2018/2019 to 46,160 acres and 48,000 acres in 2019/2020 and 2020/2021 respectively.

Food and Nutrition Security Project: Maize production declined from 44.6 million bags in 2018 to 44.0, 42.1 and 36.7 million bags in 2019, 2020 and 2021 respectively due to below average rainfall which hindered optimum production. Rice production increased from 112,605 MT in 2018 to 160,585 MT in 2019, 180,890 MT in 2020 and 186,000 MT in 2021. The significant increase was attributed to increased production areas in Lower Kuja, Bunyala, Hola, and Bura irrigation schemes; opening of new schemes; provision of quality seed; and adoption of mechanized harvesting which has increased grain recovery. Irish Potato production increased from 1.9 million MT in 2018, to 2.1 million MT in 2021 due to increased capacity building, adoption of certified seeds and production technologies, and favourable weather conditions during the period.

Revitalization of industrial crops: Cotton production delivered to marketing boards declined from 12,000 tonnes in 2018 to 3,000 tonnes, 3,400 tonnes and 1,300 tonnes in 2019, 2020 and 2021 respectively due to decrease in area under production by 45 per cent from 18,000 hectares in 2019 to 9,837 hectares in 2020. Rift Valley Textile (Rivatex) and Kitui County Textile Centre (Kicotec) were revived and are in the frontline to uptake local cotton production to produce locally made garments.

Production of Pyrethrum increased more than two-fold from 187.9 Tonnes in 2018 to 501 tonnes in 2021 while tea production increased by 9 per cent from 493,000 tonnes in 2018 to 537,800 tonnes in 2021. However, Coffee production decreased from 36,800 tonnes in 2018 to 28,200 tonnes in 2021.

Fertilizer Cost Reduction Programme: During the period under review, 201,150 MT of assorted subsidized fertilizers were procured against the target of 380,000 MT for 2017/18-2018/19 benefiting 781,298 farmers. The Government rolled out the National Value Chain Support Programme (NVCSPP) to support smallholder high need households in 33 Counties involved in production of Maize, Irish potatoes, Rice, Coffee, Sorghum and Green Grams. A total 315,862 farmers were registered to access

assorted inputs under the program in FY 2019/20. A total of 47,100 farmers have accessed assorted subsidized inputs (fertilizer, seed, lime, agrochemicals).

Establishment of Disease Free Zones (DFZ): To facilitate market access of livestock and livestock products and promote trade at local, regional and international markets, the establishment of Disease-Free Zone at Bachuma in Taita Taveta County was at 72 per cent completion level.

Agricultural Mechanization: The sector operationalized Bunyala Pilot Rice Agricultural Mechanization Hub leading to adoption of mechanized rice planting, harvesting and milling in Bunyala Rice Irrigation Scheme. Consequently, rice yield increased from an average of 17 to 27 bags per acre under the review period. Further, the construction and equipping of agro-processing incubation units at Siakago, Siaya, Nakuru and Ruiru Agricultural Technology Development Centers (ATDCs) resulted in the incubation of 145 SMEs in various appropriate technologies.

Livestock Development Programme: Dairy farming across the country was facilitated through distribution of 5.042 million doses of semen to farmers, operationalization of four (4) liquid nitrogen plants, and setting up cooling plants across the country to curb post-harvest losses of milk. In order to enhance meat production, 3,760 rabbits were produced and availed to farmers while 2,378 piglets were availed to SMEs during review period. In addition, 1,745 bee colonies were produced and distributed while four (4) sentinel bee colonies were established.

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. A total of 102 SMEs were established under priority agricultural value chain. Agro processing incubation centers were completed and equipped at Ruiru and Siaya ATDCs while refurbishment of infrastructure was undertaken at Bungoma, Nakuru, Siakago, and Mtwapa ATDCs.

Fish Production: Quantity of fish landed increased by 9.4 per cent from 149,545 tonnes 2018 to 163,605 tonnes in 2021 while its value increased by 22.5 per cent from Kshs.24.8 billion in 2018 to Kshs.30.4 billion in 2021. Towards promoting fish handling hygiene and reducing post-harvest losses, refurbishment and modernization of fish landing sites at Vanga, Kibuyuni and Gazi in Kwale County and Ngomeni and Kichwa cha Kati in Kilifi County are on average above 80 per cent complete. Further, construction of designated fish markets in Malindi and Likoni are 70 per cent and 80 per cent complete respectively. In addition, “Eat More Fish Campaigns” were undertaken with an aim of promoting fish consumption in Kenya.

Emerging Issues and Challenges

- i) Inadequate certified quality seeds especially for Irish Potato, Cotton, Pyrethrum, Fruits, Nuts, and Forages;
- ii) Adverse effects of climate change negatively impacted agricultural and fisheries productivity and sustainability; and
- iii) Increasing change in land use and fragmentation of agricultural land.

Lessons Learnt

- i) Implementation of Value Chain Suitability Maps for all regions is key to improving productivity and profitability of crop commodities; and
- ii) Implementation of programmes and projects through cost sharing model with project beneficiaries improves ownership and sustainability.

Recommendations

- i) Promote adoption of science and superior genetic technologies in crop production;
- ii) Enhance pest and disease surveillance and response programs;
- iii) Fast-track land commercialization initiative to expand area under crop production by the private sector;
- iv) Increase adoption of climate smart agriculture;
- v) Strengthen agricultural extension services; and
- vi) Incentivize production in medium and large-scale farms and facilitate investments in agro-processing hubs to create markets for agricultural produce.

2.4 Universal Health Coverage

Universal Health Coverage (UHC) seeks to ensure that all Kenyans receive quality, promotive, preventive, curative and rehabilitative health services without suffering financial hardships. This initiative conforms to SDGs goal No. 3 on good health and well-being, and Africa Agenda 2063 goal No. 3 on healthy and well-nourished citizens. The Government planned to achieve 100 per cent Universal Health Coverage through: 100 per cent cost subsidy of the essential health package; 18 per cent increase in the number of health facilities in 14 counties; 54 per cent reduction in out-of-pocket expenses as a percentage of expenditure; 56 per cent increase in the number of health workers; and 100 per cent National Health Insurance Fund (NHIF) coverage by the year 2022. During the period under review, the following initiatives were implemented:

Ensuring there is at least one hospital with CT scan capability in every county: Completed construction of three comprehensive regional cancer centres in Mombasa, Nakuru and Garissa with Mombasa centre operational. Nyeri and Kisii cancer centres are at preliminary stages of implementation.

Augmenting the budget allocation and spending of the health sector up to Kshs.12 billion by 2021: The total government budget allocation (National and County) for the Health Sector increased from 6.8 per cent in 2017/18 to 7.4 per cent 2019/20. The re-current vote was 62 per cent, 64 per cent and 56 per cent of the sector resources in 2018/19, 2019/20 and 2020/21 respectively which represented a 43 per cent increase from Kshs.85.1 billion in 2018/19 to 121.7 billion in 2020/21. The actual expenditure was at Kshs.74.5 billion, Kshs.108.5billion and Kshs.107.9 billion for the years 2018/19, 2019/20 and 2020/21 respectively.

56 per cent increase in the number of health workers: The ratio of doctor to population per 10,000 increased from 1.5 in 2018/19, 1.7 in 2019/20 to 2.9 in 2020/21 while Nurse to population per 10,000 population increased from 11.3 in 2018/19, 12.1 in 2019/20 to 12.9 in 2020/21.

54 per cent reduction in out-of-pocket expenses as a percentage of expenditure: During the first phase of UHC implementation (2018 - 2019), UHC was piloted in four counties (Nyeri, Machakos, Isiolo and Kisumu). This phase focused on strengthening health systems; increased access to healthcare services; and financial risk protection. During this phase, a total of 3.2 million Kenyans were registered as beneficiaries of UHC, with 3 million benefiting from services, translating to coverage of 88 per cent. A total of 723 new Community units were established and 8,538 Community health volunteers trained at UHC to provide house-to-house level services. In addition, user fees were eliminated to enable people to access free primary healthcare in public dispensaries and health centres.

Increasing the National Health Insurance Fund (NHIF) coverage of 36 per cent to 100 per cent by the year 2022: Under UHC Phase II, NHIF membership grew from 5 million members in 2017 to 13.4 million registered members by 2021 in line with a goal of increasing the number of persons covered under

health insurance. The membership comprises 4.7 million members registered in the informal sector, 7.1 million members in the formal sector and 1.5 million in sponsored schemes.

- **NHIF Cover to all the elderly and Persons with Severe Disabilities (PWSD):** A total of 42,000 households (39,349 elderly and 2,651 PWSD) accessed health subsidy program amounting to Kshs.113 million annually amounting to Kshs.339 million during the review period.
- **Under the Health Insurance Subsidy Program (HISP) for the poor:** The Government committed to increase the number of households with state-sponsored cover to 1.5 million households by 2022. The total number of households covered through NHIF's Super Cover by 2021 was 181,968 Households.
- **Informal Sector Health Insurance Coverage:** This project aimed at increasing the number of people in the informal sector who are enrolled with NHIF from 3 million in 2017 to 12 million in 2022. During the period under review, a total of 4.7 million informal sector workers were registered with the NHIF. The sector also developed NHIF Amendment Bill of 2021, aimed at making NHIF registration mandatory for all adult Kenyans, thereby increasing informal sector enrolment to the Fund.
- **The Linda Mama Project:** Under this project, the number of mothers to children under 1 benefiting were 681,028 in 2018/19, 1,102,510 in 2019/20 and 1,163,712 in 2020/21. This reflected 70.8 per cent increase between 2018/19 and 2020/21. NHIF received Kshs.2 billion in 2018/19 and Kshs.700 million in 2019/20 to facilitate free maternal deliveries, free antenatal and postnatal services. This resulted in improved skilled birth attendance from 44 per cent in 2017/18 to 78.3 per cent of all births in 2020/21.

Emerging Issues and Challenges

- i) Low awareness of the NHIF benefit package among the beneficiaries;
- ii) Lack of proper documentation especially on minors, refugees, marginalized communities which delays the process of NHIF claims by the healthcare providers;
- iii) Inadequate emergency services and referral protocols; and
- iv) Cultural practices lead to under-utilization of antenatal services.

Recommendations

- i) Enhance awareness of the NHIF benefits among the beneficiaries;
- ii) Ensure proper documentation especially with minors, refugees, marginalized communities;
- iii) Strengthen the rapid response system to improve emergency services and referral protocols; and
- iv) Create awareness on the utilization of antenatal services.

2.5 Affordable Housing

The overall goal of the Affordable Housing initiative was to build 500,000 low cost units (400,000 affordable housing units and 100,000 social housing units) during the Plan period. Key strategies included reducing the cost of acquiring capital for investment in house construction; reduce mortgage costs; use innovative ways and appropriate construction materials; and increase title deed issuance to landowners. The agenda conforms to SDG 11 which is to make cities and human settlements inclusive, safe, resilient and sustainable.

A total of 1,332 affordable housing units were constructed in 2018/2019 while 1,250 and 1,370 were constructed in 2019/2020 and 2020/2021 respectively, against a target of 80,000 in each financial year. Over the same period, a total of 462 social housing units were constructed. The targets were not achieved due lengthy land acquisition processes among others. To facilitate housing financing, The Kenya Mortgage Refinance Company (KMRC) was established in 2018 to provide mortgage liquidity to Primary Mortgage Lenders (PMLs) in order to boost mortgage uptake in the country.

Emerging Issues and Challenges

- i) High cost of land acquisition and building materials;
- ii) Poor infrastructure in terms of land, water, sewerage system and transport in areas earmarked for affordable housing; and
- iii) Low uptake of PPP projects on affordable housing.

Lessons Learnt

- i) Adoption of modern building technology is essential in reducing building costs for affordable housing; and
- ii) Voluntary contributions to the Housing Fund is key in mobilizing resources.

Recommendations

- i) Enhance capacity of the housing technology centers to promote alternative low cost building materials;
- ii) Strengthening KMRC to enhance affordability of mortgages by refinancing existing and future loan portfolios to the affordable housing segment;
- iii) Strengthen collaboration between national and county governments in actualizing affordable housing initiative; and
- iv) Harmonize policy, legal and regulatory frameworks to support affordable housing.

PART THREE

PROGRESS MADE IN IMPLEMENTATION OF THIRD MEDIUM TERM PLAN

3.0 THE MACROECONOMIC FRAMEWORK

Overview

Stable macroeconomic environment is a key economic enabler under Kenya Vision 2030. The Macroeconomic Framework for the Third MTP aimed at putting the economy at a sustainable growth path of 7 per cent by 2022. The envisaged growth was to be supported by high savings and investment, implementation of programmes and projects, as well as policy, legal and institutional reforms in all sectors of the economy. Overall, the framework aimed at supporting the realization of Vision 2030 and the “Big Four” initiatives, Sustainable Development Goals (SDGs) and the aspirations of Africa’s Agenda 2063.

3.1 Overall Economic Performance

During the review period, real Gross Domestic Product (GDP) expanded by 5.6 per cent in 2018 and 5.1 per cent in 2019 before contracting by 0.3 per cent in 2020 against the envisioned target of 5.8 per cent, 6.0 per cent and 6.6 per cent respectively as shown in Table 3.1. During the year 2018 and 2019, economic performance was supported by accelerated growth in the construction, transport and storage, wholesale and retail trade, accommodation and food services, information and communication, real estate and health activities.

The slow growth experienced in the year 2020 was largely attributed to the adverse effects of the COVID-19 pandemic and the subsequent containment measures resulting in serious negative impacts on key sectors of the economy. Additionally, Kenya faced two other shocks, the invasion of swarms of desert locusts that damaged crop; and floods following receipt of more than normal rainfall in May 2020. The growth picked up to 7.5 per cent in 2021, following the relaxing of COVID-19 measures, coupled with stronger performance in all sectors except agriculture.

Table 3.1: Overall and Sectoral Growth Targets and Performance (per cent)

Sector	2018		2019		2020		2021	
	Actual	Target	Actual	Target	Actual	Target	Actual	Target
Overall GDP	5.6	5.8	5.1	6	-0.3	6.6	7.5	6.8
Agriculture	5.7	5.7	2.7	5.5	4.6	6	-0.2	6.7
Industry	3.8	5.8	4	6.4	3.3	7.5	7.2	8.6
Services	6.0	6	6.7	6.4	-1.8	6.7	9.5	6.8

Source: KNBS Economic Survey 2022

3.2 Sectoral Performance

Agricultural Sector: Agriculture 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 citizen. Its contribution to GDP improved from 20.3 per cent in 2018 to 20.9 per cent in 2019 to 22.6 per cent in 2020 and slightly declined to 22.4 per cent in 2021.

The sector performance was on target in 2018 at 5.7 per cent driven by marked improvement in crops and animal production that benefited significantly from sufficient rains. However, the sector performed below target growing by 2.7 per cent, 4.6 per cent and -0.2 per cent in 2019, 2020 and 2021 respectively. The lower than targeted growth during the period was due to poor rainfall pattern which affected agricultural production coupled with slow implementation of irrigation projects.

Industry Sector: The sector grew by 3.8 per cent in 2018, 3.4 per cent in 2019, 3.3 per cent in 2020 and 7.2 per cent in 2021 against targets of 5.8 per cent, 6.4 per cent, 7.5 and 8.6 per cent respectively. The growth in the sector was supported by accelerated growth in the construction sub-sector which grew by 6.1 per cent in 2018, 7.2 per cent in 2019 and 10.1 per cent in 2020 before moderating at 6.6 per cent in 2021. This was attributed to the continued investments in infrastructure activities in road, rail, ports and housing.

Manufacturing which is a major sub-sector registered declining performance from 3.6 per cent in 2018 to 2.6 per cent in 2019 and a contraction of 0.4 per cent in 2020 before recovering to 6.9 per cent in 2021. The “Big Four” initiative targeted the contribution of the manufacturing sub-sector to GDP to increase from 9.2 per cent in 2016 to 15 per cent by 2022. However, the sub-sector depicted a downward contribution to GDP for four consecutive years falling from 8.4 per cent in 2018 to 7.2 per cent in 2021. The sub-sector priorities such as attracting investors into development of Special Economic Zones and Industrial Parks across the country progressed at a slower pace than anticipated.

Services Sector: Service Sector remained a key driver of growth registering 6.0 per cent as targeted in 2018 and surpassed the growth target of 6.4 per cent in 2019 to register a growth of 6.7 per cent. The growth was supported by improved growth in accommodation and restaurant, information and communication, human health, education, public administration, transport and storage, wholesale and retail trade, financial and insurance and real estate.

The sector contracted by 1.8 per cent against a target of 6.7 per cent in 2020 due to negative effects of Covid-19 and the subsequent containment measures that were enforced significantly affecting accommodation and food services, education, wholesale and retail services. However, its performance recovered to register a growth of 9.5 per cent in 2021 exceeding the target of 6.8 per cent.

3.3 Performance of Key Macroeconomic Indicators

The performance of key macroeconomic indicators is show in Table 3.2.

Table 3.2: Summary of Key Macroeconomic Indicators Performance for the Period 2018/19 to 2020/21

Macroeconomic Indicators	2018/2019		2019/2020		2020/2021	
	Actual	Target	Actual	Target	Actual	Target
Annual percentage Change						
Real GDP Growth (per cent)	5.3	5.9	2.3	6.3	2.9	6.8
CPI Index (eop)	5.7	5.0	5.0	5.0	5.7	5.0
CPI Index(avg)	4.9	5.0	5.2	5.0	5.8	5.0
As a percentage of GDP						
Gross National Savings	15.3	16.5	14.3	17.1	16.2	18.0
Investment	19.3	21.9	19.2	22.6	20.6	22.8
Total revenue	17.5	18.9	16.9	19.0	15.8	19.2
Total expenditure and net lending	25.0	25.5	24.7	23.8	24.3	22.9
Overall fiscal balance(excluding grants)	-7.5	-6.5	-7.8	-4.8	-8.5	-3.8
Overall fiscal balance(including grants)	-7.3	-6.0	-7.5	-4.3	-8.2	-3.3
Public Debt (nominal central gov debt)net	53.4	52.8	58.3	51.0	63.2	48.2
Current Account Incl. official transfers	-4.1	-5.4	-4.9	-5.5	-4.4	-4.8
Gross international reserves(Months of import cover)	6.4	6.8	6.3	6.9	5.8	7.0

Source: National Treasury

The Gross National Savings as a percentage of the GDP was 15.3, 14.3 and 16.2 percent in 2018/2019, 2019/2020 and 2020/2021 respectively while the investment as a percentage of GDP was 19.3, 19.2 and 20.6 per cent over similar period as shown in Table 3.2. The lower than target savings and investment as share of GDP particularly in 2020 was as a result of negative effects of COVID-19 pandemic both at global and local economy. The 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.

Total revenue as a percentage of GDP depicted a declining trend from 17.5 per cent in 2018/2019 to 16.9 per cent in 2019/2020 and further to 15.8 per cent in 2020/2021 against target of 18.9, 19.0 and 19.2 per cent respectively. The below target performance and declining revenue trends particularly in 2019/2020 and 2020/2021 is partly attributed to the negative effects of Covid-19 pandemic and the subsequent containment measures and fiscal measure to cushion Kenyans and firms against the negative impact of the pandemic. Some of the fiscal measures undertaken included:

- 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;
- Increase in personal relief from Kshs. 1,408 to Kshs. 2,400 per month;
- 100 per cent tax relief for persons earning gross monthly income of up to Kshs.24,000;
- Reduction of the top PAYE band rate from 30 per cent to 25 per cent;
- Reduction of the standard VAT rate from 16 per cent to 14 per cent;
- Reduction of the turnover tax rate from 3 per cent to 1 per cent of the annual turnover or business with a turnover of Kshs.1 million to 50 million per year; and
- A reduction of the resident corporate income tax from 30 per cent to 25 per cent.

Expenditure and net lending as a percentage of GDP stood at 25 per cent in 2018/2019 and declined to 24.7 per cent in 2019/2020 and 24.3 per cent in 2020/2021. Expenditure and net lending were above target of 23.8 per cent and 22.9 per cent in 2019/2020 and 2020/2021 respectively as a result of increased budgetary requirement to finance COVID-19 pandemic mitigation measures.

Overall fiscal balance (including grants) as a percentage of GDP expanded from a deficit of 7.3 per cent in the 2018/2019 to 7.5 per cent in the 2019/2020 and to 8.2 per cent in 2020/2021. The low revenue collection coupled with high expenditure as a result of negative effects of Covid-19 pandemic led to widening of overall fiscal balance.

The Total debt as a percentage of GDP increased from 53.4 per cent in 2018/2019 to 63.2 per cent in 2020/2021 against a target of 52.8 per cent and 48.2 per cent respectively. External debt remained largely on concessional terms with debt held by multilateral creditors increasing from 33.9 per cent in June 2018 to 43.2 per cent in June 2021. This was attributed to deliberate borrowing strategy to gradually move away from high-cost commercial debt in line with Medium Term Debt Management Strategy and access to long term highly concessional loans. Domestic debt was largely composed of Treasury bonds at 77.1 per cent as at end June 2021 from 61.1 per cent in June 2018 in line with Government strategy to reduce re-financing risk by issuing medium to long term debt securities. Between 2018/2019 and 2020/2021, a total of USD 5.1 billion was raised through sovereign bond.

The Central Bank of Kenya continued to pursue prudent monetary policy to ensure price stability. The inflation rate averaged 4.9 per cent and remained within the target of 5.0 per cent in 2018/2019. However, in 2019/2020 and 2020/2021 inflation was above the target averaging 5.2 per cent and 5.8 per cent respectively. In order to ease inflationary pressures, the Central Bank Rate (CBR) was revised on a regular basis over the period. Current Account Balance including official transfers remained within target but slightly widened from a deficit of 4.1 per cent in 2018/2019 to 4.9 per cent in 2019/2020 before moderating at 4.4 per cent in 2020/2021. Official foreign exchange reserves in months of import cover were below targets but within CBK's statutory requirement to endeavor to maintain at least 4 months of import cover, and the EAC region's convergence criteria of 4.5 months of import cover.

3.4 Employment

During the MTP III implementation period, the government committed to create 1,067 thousand, 1,242 thousand, 1,318 thousand and 1,337 thousand new jobs in 2018, 2019, 2020 and 2021 respectively. Total new jobs generated in the economy were 824 thousand in 2018 and 847 thousand in 2019 which were below the targets. The ratio of the formal sector to total employment remained at 0.09 per cent in 2018 and 2019 and was below the target of the Government job creation strategy of 0.28 in 2018 and 0.38 in 2019. In 2020, the economy lost 736 thousand jobs due to the effects of Covid-19 pandemic containment measures. However, due to steady economic recovery, the economy created 926 thousand new jobs in 2021 with formal employment constituting 19 per cent of the total jobs.

Table 3.3: Employment 2018-2021 ('000')

	2018		2019		2020		2021	
	Target	Actual	Target	Actual	Target	Actual	Target	Actual
Formal	304	80	476	79	550	- 192	567	172
Informal	763	744	766	768	768	- 544	770	754
Total	1,067	824	1,242	847	1,318	- 736	1,337	926
Ratio of formal	0.28	0.10	0.38	0.09	0.42	0.26	0.42	0.19
Ratio of informal	0.72	0.90	0.62	0.91	0.58	0.74	0.58	0.81

Source: Economic Survey 2021

3.5 County Government fiscal performance

County Governments receive equitable share and conditional grants as transfers by the National Government. During the review period, the equitable share allocation to the counties increased gradually from Kshs.314 billion in 2018/2019 to Kshs.316.5 billion in 2019/2020. In 2020/2021 equitable share increased by 16.9 per cent to Kshs.370.0 billion. The aggregate annual own source revenue for counties declined from Kshs.40.30 billion in 2018/2019 to Kshs.35.77 billion in 2019/2020 and further to Kshs.34.44 billion in 2020/2021. The key challenges hindering effective budget execution by County Governments included high expenditure on personnel emoluments, delay in submissions of financial reports by County Treasuries to the Controller of Budget, and under-performance of own source revenue collection.

3.6 Structural Reforms

Ease of Doing Business: The Third MTP targeted to improve Kenya's ranking in the Ease of Doing Business Indicator from position 80 in 2017 to at least 45 out of 189 at end of Plan period. According to the World Bank Ease of Doing Business Report, Kenya ranked position 56 in 2019 compared to position 61 in 2018. The Country was among 42 economies that improved the most across three or more Doing Business sub-indices. It set the best regulatory performance in reducing the number of procedures for getting electricity and undertaking reforms to protect minority investors. The *Business Laws (Amendment) Act, 2020* was enacted with an aim of facilitating the ease of doing business in Kenya. The Act provides for among others recognition of electronic signatures, documents and registries; and reducing formalities, increasing transparency and protecting businesses.

Public-Private Partnerships Framework: The Public Private Partnership Act, 2013 was repealed and PPP Act, 2021 enacted, in order to accelerate and sustain the pace of implementation of PPPs. The legislation aims at strengthening PPP institutions and reducing implementation bureaucracy, improving governance, and balancing risk with affordability and value for money, while guaranteeing rapid service delivery.

Credit Guarantee Scheme: In order to support Micro Small and Medium Enterprises (MSMEs) access credit, the *Public Finance Management (Credit Guarantee Scheme) Regulations, 2020* were prepared and enacted. The Regulations provide for establishment and management of Credit Guarantee Scheme (CGS). A seed capital of Kshs.3 billion was allocated for CGS and banks were expected to leverage it to unlock credit of at least Kshs.12 billion to MSMEs.

Public Investment Management: 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 Public Investment Management (PIM) Guidelines' were developed and implemented to enhance compliance with appraisal process for the new projects. The PIM processes were automated to ensure operational effectiveness through establishment of a Public Investment Management Information System (PIMIS).

Macro prudential supervision: The Macro-Prudential Supervisory Policy Framework was developed and approved in 2019. The framework aimed at facilitating coordination between financial sub-sector authorities on supervisory policy issues.

3.7 Statistical Reforms

The following were undertaken to improve provision of timely and quality statistics:

- i) The 2019 National Population and Housing Census;
- ii) Enacted the Statistics (Amendment) Act, 2019;
- iii) Prepared Gross County Product (GCP) reports;
- iv) Revised and rebased the National Accounts which changed the base year from 2009 to 2016;
- v) Carried out Census of Industrial Production in December, 2019;
- vi) Developed Kenya Strategy for the Development of Statistics (KSDS);
- vii) Quarterly Labour Force Surveys (QLFS);
- viii) Surveys on Socio-Economic impact of COVID-19 pandemic on households; and
- ix) Strengthening of county statistical offices on production of regular statistics.

3.8 Tax Reforms

The following revenue enhancement strategies were undertaken:

Implementation of integrated Customs Management System (iCMS), Integrated Scanner Solution and Regional Electronic Cargo Tracking (RECTS): The integrated Customs Management System (iCMS) was operationalized in 2020. A total of four (4) Scanners (1 at Mombasa, 2 at Inland Container Depot Nairobi and 1 at Namanga) were procured and integrated it to the iScan System. A total of 8,600 seals were delivered in February, 2020. Procurement of e-seals was initiated with the aim of raising the electronic coverage of transit trucks to over 60 per cent to facilitate the tracking of fuel to minimize dumping.

Information Sharing and Data Driven Compliance: Utilization of a data driven approach commenced with focus on: (i) managing data including use of the value added tax auto assessment (VAA), third party data and intelligence reports to identify non-compliant taxpayers and strengthening excise enforcement, (ii) stepping up transfer pricing audits, (iii) conducting audits related to credit adjustments, investment deductions and high risk business segments, and (iv) addressing the VAT gap through reconciliation and the follow up of inconsistencies.

Tax Base Expansion (TBE): The following interventions were undertaken:

- Implementation of a Turnover Tax (tot) and Presumptive tax regime;
- Operationalization of High-Net-Worth Individuals (HNWI) programme including through use of third-party data;
- Enhancing tax compliance targeting professionals; e-commerce, real estate and construction sector; and

- Developed frameworks for the implementation of new fiscal policies (budget proposals) and for the recruitment of taxpayers.

System Integrations and Enhancements: The following system integrations were completed:

- iTax/IFMIS on Pay As You Earn (PAYE), Payment Registration Numbers (PRNs) and Integrated Personnel and Payroll Database (IPPD);
- Unstructured Supplementary Service Data (USSD) and Mobile Apps.
- Strengthened the capacity for post clearance audits, established a Customs Taxpayer Account Management Unit and increased scrutiny on Authorized Economic Operators.

3.9 Emerging Issues and Challenges

The following are some of the major challenges and emerging issues that affected achievement of macroeconomic targets:

- Exogenous factors:** The Kenyan economy was adversely affected by the outbreak of Covid-19 Pandemic and subsequent containment measures, which disrupted economic activities in the year 2020. Additionally, Kenya faced two (2) other shocks: The invasion of swarms of desert locusts that damaged crops; and floods following receipt of more than normal rainfall in May 2020.
- Global economic effects:** The Country is well integrated into the global economy through trade, investment and financial services. Over the period under review global issues brought about by UK exit from European Union (EU) commonly known as Brexit and US-China trade war among others affected global, regional and national economy; and
- Slow uptake of Public Private Partnership Projects:** The MTP III programmes and projects were envisaged to be financed through the PPP. Over the review period, there was slow uptake of PPP programmes and projects.

3.11 Recommendations

- Fiscal consolidation through project prioritization and rationalization;
- Enhance measures aimed at increasing savings and investment;
- Enhance revenue collection through designing and implementing reforms to increase tax base, improve compliance to tax obligations and eradicate tax leakages;
- Promote measures that supports export-led growth; and
- Expedite the implementation of the PPP Act, 2021 and the SEZ (Amendment) Regulations 2021;
- Improve public debt sustainability through pursuing prudent borrowing and uptake of concessional loans.

4.0 FOUNDATIONS FOR NATIONAL TRANSFORMATION

Overview

The successful implementation of enablers and foundations of national transformation is crucial for the realization of the aspirations of the Kenya Vision 2030 and the “Big Four” initiatives. The Government continues to invest in building a solid foundation for economic transformation and industrialization. During MTP III, investment in the enablers sectors focused on accessibility, quality, functionality, job creation, and disaster preparedness.

4.1 Infrastructure

Overview

The main goal of the Sector is to “Deploy World Class Infrastructure Facilities and Services” in recognition that infrastructure plays a critical role in facilitating and accelerating socio-economic development in the country. The Government committed to continue investing in developing efficient and effective infrastructure.

Overall Sector Performance

Air Transport Sub-sector: The aviation sector focused on the expansion and modernization of the aviation facilities and the main outcome was on increased access to aviation services. The number of air passengers handled (International & Domestic) per year declined from 12.07 million in 2018/19 to 9 million in 2019/2020 and further to 4.47 Million passengers in 2020/2021 against the set target of 12, 12.9 and 14 million passengers respectively (Table 4.1). The volume of air cargo handled per year (total freight) marginally declined from 368.1 million Kgs in 2018/2019 to 364.6 million Kgs in 2019/2020 and further to 357 million Kgs in 2020/2021. The below target in air passenger and cargo handled in 2019/2020 and 2020/2021 was attributed to the negative effects of Covid-19 pandemic and the subsequent containment measures which affected domestic and international travel, and trade.

Table 4.1: Infrastructure Overall Performance for the Period between 2018/2019 and 2020/2021

MTP III Outcome	Outcome Indicators	2018/2019		2019/2020		2020/2021	
		Target	Actual	Target	Actual	Target	Actual
Increased access to Aviation services	Number of Air Passenger handled (International & Domestic) per year (Millions)	12	12.07	12.9	9.0	14	4.47
	Volume of Air cargo handled per year (Total freight) (Kg. Millions)	357.8	368.1	386.4	364.6	417.4	357
Improved access to Shipping and Maritime Services	Cargo throughput in Dead Weight Tonnes (DWT) per year (Tonnes Millions)	31.48	32.66	33.58	33.64	35.9	36.1
	Containers handled in Twenty foot Equivalent Units (TEUs Millions)	1.281	1.38	1.355	1.384	1.432	1.459

MTP III Outcome	Outcome Indicators	2018/2019		2019/2020		2020/2021	
		Target	Actual	Target	Actual	Target	Actual
Improved access to all weather Roads	Classified Roads Maintained and Rehabilitated (Kms)	50,000	41,420	50,000	28,847	50,000	37,740
	Additional Classified Roads Constructed (By class: A,B,C,D, E,F,G e.t.c (Kms)	2,000	2,014	2,000	1,489	2,000	1,553
Improved access to Rail Services	Rail Passengers handled per year (No. '000'	2,937	1,700	3,350	2,830	3,582	4,490
	Rail Cargo handled per year (Tons '000')	1,603	4,600	4,801	4,678	6,478	5,587
Increased Power Generation	National Power Generation Capacity (MWs)	2,699	2,705	3,561	2,791	3,876	2,977.9
	National power generation capacity from clean sources (MWs)	1,954	1,829	2,416	1,960	2,787	2225.7
Universal Connectivity	Number of Households Connected to Electricity (No.)	6,763, 921	7,204,743	7,763, 921	7,576,146	8,763, 921	8,283,461
Improved Energy Efficiency	New Companies adopting energy efficiency and conservation (No.)	50	52	50	-	50	40

Source: Ministry of Infrastructure, Transport, Housing and Public Works MTP III MTR Survey Response Data Analysis

Shipping and Maritime Sub-sector: The Cargo throughput in Dead Weight Tons (DWT) per year were above the set targets increasing from 32.66 million tons in 2018/2019 to 36.1 million tons in 2020/2021. Similarly, the containers handled in twenty-foot Equivalent Units (TEUs) increased gradually from 1.38 million TEUs in 2018/2019 to 1.459 million TEUs in 2020/2021.

Figure 4.1: MV Uhuru Wagon Ferry at Kisumu Port



Source: KRC

The improved performance in cargo throughput and containers handled reflects the increased capacity and efficiency at the port of Mombasa and Kisumu. The operations at revamped Kisumu Lake port and refurbishment of MV Uhuru wagon ferry contributed to the realization on cargo throughput in Dead Weight Tons per year. The Cumulative Cargo through-put Report for Kisumu Port from 2018 to 2021 is summarized in the table below.

Table 4.2: Kisumu Port Cumulative Cargo throughput from 2018 to 2021

	2018	2019	2020	2021
Vessels Registered	7	41	43	77
Export (tons)	9,945.5	15,195.7	45,550.1	52,064.4
Import (tons)	1,000.0	2,539.0	670.0	1,950.0
Total (tons)	10,945.5	17,734.7	46,220.1	54,014.4

Source Kenya Ports Authority

Railway Transport Sub-sector: The number of rail passengers handled gradually increased from 1,700 thousand in 2018/2019 to 2,830 thousand in 2019/2020 and further to 4,490 thousand in 2020/2021. However, in 2018/2019 and 2019/2020 the number of passengers handled were below the set targets while it exceeded the set target in 2020/2021. The above target performance in 2020/2021 was attributed to the introduction of a night trip between Mombasa -Nairobi route on Standard Gauge Railway (SGR) service by Madaraka Express and the commencement of passenger service along Nairobi - Nanyuki route.

The hinterland rail cargo handled was 4,600 thousand tons in 2018/2019 which was above the set target of 1,603 but fell below the target of 4,801 thousand tons in 2019/2020 and 6,478 thousand tons in 2020/2021 recording 4,678 and 5,587 thousand tons of cargo handled respectively. The below target performance can be attributed to the Covid-19 pandemic which impacted the pace of imports due to lockdown in most countries. This was further compounded by winding up of the promotional freight charges for use of the Naivasha Inland Container Depot (ICD) bound cargo in August 2020.

Roads Subsector: The roads sub-sector aims at improving access to all-weather roads by increasing the number of classified roads maintained and rehabilitated and additional classified roads constructed. The number of classified roads maintained and rehabilitated remained below the set target of 50,000kms with 41,420, 28,847 and 37,740 kms maintained and rehabilitated in 2018/2019, 2019/2020 and 2020/2021 respectively. The additional classified roads constructed (by class: A, B, C, D, E, F, G, etc.) was above target at 2.014kms in 2018/2019 but fell below target in 2019/2020 and 2020/2021 at 1,489 and 1,553kms respectively.

Energy Sub-sector: The national power generation capacity was above target in 2018/2019 and below targets in 2019/2020 and 2020/2021. The generation capacity increased from 2,705 MWs in 2018/2019 to 2,791 in 2019/2020 and to 2,977.9 MWs in 2020/2021. The increase was attributed to an additional 186.7 MW of power to the national grid upon completion of Olkaria V and Olkaria I Unit 6 power generation projects.

The national power generation capacity from clean sources were below the set target in 2018/2019, 2019/2020 and 2020/2021 with 1,829, 1,960 and 2,225.7 MWs of clean energy generated respectively. Though the performance was below the target, Kenya ranks first in Africa and number 8 globally on power generation from clean sources which accounts for 85 per cent of the country's energy mix with 2 per cent solar and cogen sources, 13 per cent wind power, 32 per cent hydro and 38 per cent geothermal sources. This is attributed to completion of new clean energy projects such as Olkaria v and Olkaria I unit 6 during the reporting period.

On universal electricity connectivity the number of households connected surpassed the set target with 7,204,745 households connected in 2018/2019. However, in 2019/2020 and 2020/2021 the number of households connected to electricity fell below the set targets with 7,576,146 and 8,283,461 households connected respectively mainly due to the reduced budget for the last mile connectivity program.

The sub-sector also aimed at improving energy efficiency by targeting the number of new companies adopting energy efficiency and conservation practices to be at least 50 per year. In 2018/2019, a total of 52 new companies adopted energy efficiency and conservation practices compared to 40 companies in 2020/2021.

Figure 4.2: Olkaria V Geothermal Power Plant



Figure 4.3: Olkaria 1 Unit 6 Geothermal Power Plant



Flagship Programmes and Projects

Lamu Port, South Sudan, Ethiopia Transport (LAPSSET) Corridor: During the review period the following projects were implemented:

- **Railway:** The MTP III target was to finalize the land acquisition process and to complete an implementation framework and harmonization of designs and specifications. The preliminary Design and Feasibility Study for the LAPSSET SGR was completed for the following components: Lamu-Isiolo (530 Km); Isiolo - Moyale (470 Km); Isiolo - Nakodok (720 Km) and Isiolo - Nairobi (280 Km). Land acquisition process of 500 metres width along the corridor to accommodate all the infrastructure required (pipeline, rail, highway, etc.) is ongoing
- **Highways:** During the review period a total of 182.77Km of roads were constructed as follows; Loruk- Barpelo (53Km), Garsen – Witu - Lamu (119.77Km) and a 10Km link Road to Lamu Port. In addition, final designs for Isiolo (Lerata) - Maralal – Lokichar and Nginyang - Lokichar were completed.
- **Lamu Port:** The first berth was completed and launched in May 2021 while the construction of other two berths is complete awaiting construction of the supporting yards.

Figure 4.4: Lamu Port, Berth 1 of 400 Meters and Mobile Harbour Crane



Expansion of Railway Transport: During the review period, the following projects were implemented:

- **Standard Gauge Railway Phase 2 (Nairobi-Malaba):** The construction of Standard Gauge Railway (SGR) phase 2A (Nairobi-Naivasha) was completed and operationalized in 2019/2020. The feasibility study for construction of Phase 2B (Naivasha – Kisumu) and Phase 2C (Kisumu – Malaba) was finalized.
- **The Nairobi Commuter Rail Improvement:** The Nairobi Central Station was rehabilitated and operationalized. A total of 117 coaches were refurbished while 12 service stations were operationalized.
- **Mombasa Commuter Rail Improvement:** The feasibility study was completed.

Expansion and Modernization of Aviation Facilities:

- **Terminal 1 B, C & D at JKIA and institutional strengthening:** Re-organization of Terminals 1B & 1C of JKIA were at 70 per cent completion level (space for passenger circulation, commercial facilities and centralized secondary security screening). Passenger Walkway Canopies at JKIA (Passenger Walkway Canopies of 1Km long with 3.0 metres wide) were completed.
- **Enhance security in major airports:** The improvement of the Aviation Security at the JKIA was completed (Aviation security equipment). An Intelligent Analytical Video Management System was installed at the Primary Screening Yard and integrated to national and international security agencies, and portable explosive trace detectors were acquired.
- **Second runway and associated facilities at JKIA:** The feasibility studies for the second runway are ongoing. The rehabilitation of pavements (apron) at JKIA to replace asphalt concrete with rigid concrete at Terminal 1A for all taxi lanes were 80 per cent complete with the outstanding portions forming Phase II of the project.
- **Rehabilitation of Moi International Airport:** Pavement rehabilitation was completed while Aeronautical Ground Lighting upgrade and rainwater harvesting was 91.7 per cent complete.
- **Expansion of Malindi Airport:** The Resettlement Action Plan (RAP) and Environmental Impact Assessment (EIA) for the Kwa-chocha (Phase I) were concluded and land acquired. The Malindi airport runway expansion was at 50 per cent completion level. The refurbishment of the VIP Lounge was 90 per cent complete.

- **Isiolo Airport.** The construction of the Cargo Processing Facility was 80 per cent complete; the airside and landside pavement technical evaluation was concluded; and the rehabilitation works on the 1.4km runway and drainage management was completed.
- **Rehabilitation and Maintenance of Airstrips and Airports:** The rehabilitation of the following airstrips is ongoing and at different completion levels: Lanet and kutulo in Mandera, Suneka in Kisii, Migori, Kitale, Kakamega, Nanyuki, Nyaribo in Nyeri, Lokichoggio and Angama in Narok.

Improvement of Shipping and Maritime Facilities:

- **Expansion of the Mombasa Port Second Container Terminal Phase II and III:** construction of phase two involving development of Berth No.22 whose length is 300 metres, 15 metres deep and capacity of 500,000 TEUs was 92 per cent complete.
- **Development of the Dongo Kundu Free Trade Port:** Detailed designs for the development of Berth I are ongoing.
- **Kisumu Port:** Phase I of the port project was completed, equipped, and operationalized in 2019 for both conventional and containerized cargo.
- **Relocation of Kipevu Oil Terminal:** The relocation of the terminal was complete. The new terminal has the ability to hold and offload volumes from four vessels (three petroleum and one LPG) at once, hence save on the vessel waiting time.

Expansion of Roads Programme:

- **East Africa Road Network Project:** A total of 339 Km of roads were constructed/upgraded with completion of Kisii- Ahero- 192Km and upgrading of 147Km of (Isebania-Kisii - 119Km and Kitale-Endebess-Suam road - 28Km).
- **Kenya Transport Sector Support Project:** The project targeted to complete 53Km in the three interchanges. During the period construction of flyovers/interchanges at Nakuru, Nyahururu and Mau Summit were completed with a total of 66.16Km constructed.
- **East Africa Regional Transport, Trade and Development Facilitation Project:** MTP III targeted to construct 350Km between Eldoret to Nadapal. A total of 130Km was completed which include upgrading of Lokitaung Junction- Lodwar- 80Km and Loichangamatak – Lodwar Road-50Km while a total of 157.08Km construction is ongoing.
- **National Urban Transport Improvement Project:** The target was to construct 47Km. A total of 52.53Km of James Gichuru Road junction –Rironi Highway (A104) was constructed while Kisumu Northern Bypass has commenced.
- **Northern Kenya Transport Improvement Project (344Km):** The detailed design was completed and construction of 99Km of Nuno-Modogashe Road was completed. The project has now been renamed to Horn of Africa Gateway Development Program.
- **Roads 10,000 Programme (Low Volume Seal Roads):** The Programme targeted construction of 7,500Km to bitumen standard. A total of 4,020.06 Km of roads were upgraded to bitumen standards.
- **Road 2,000 Programme (Low Volume Seal Roads):** The Programme targeted to improve 176Km to low volume seal roads and 298.6Km to gravel surface dressing. A total of 114.34Km of road was constructed.

Decongestion of Cities, Urban areas:

- **Construction of By-passes:** The programme targeted to construct 308Km with a total of 129.58 Km of By-passes having been constructed.
- **Construction of missing links:** The Programme targeted construction of 53.3Km missing link road out of which, a total of 50.38Km was constructed.
- **Improvement of Roads in Cities and Municipalities:** A total of 157.27 Km were constructed.

- **The Bus Rapid Transit (BRT) Infrastructure and Facilities:** BRT Line 1 (Ndovu), feasibility study was completed while detailed Designs for its Corridors was ongoing; BRT Line 2 (Simba) was ongoing; BRT Line 3 (Chui) detailed design was completed and approved; and Line 4 (Kifaru) feasibility study was completed while its detailed design was ongoing.
- **Nairobi Commuter Rail Master Plan.** Nairobi Commuter Rail Master Plan was developed.
- **Mombasa Commuter Rail improvement:** The feasibility study was completed.
- **Construction of Non-Motorized Transport (NMT) Facilities:** A total of 32.4 Km of NMT lanes were constructed (Eastern Nairobi-17.2km and additional NMT lanes-15.2km).

Maintenance of Roads: A total of 161,842Km were maintained comprising of 4,213.49Km under periodic maintenance, 156,567.66Km under routine maintenance and 1,060.85 Km under roads 2000 gravel.

Road Safety Programme: A total of 628,944 smart driving licenses were issued, implementation of the 2nd generation number plates was at 30 per cent and the five-year National Road Safety Action Plan (NRSAP) 2018-2022 developed and disseminated. In addition, the 3rd Identifier project phase I implementation was at 60 per cent. Newly acquired motor vehicles and those that have changed ownership through transfer were fitted with third identifier (electronic stickers).

Increase Power Generation: A total of 639MW was installed increasing the generation capacity from 2,351MW in 2018 to 2,990MW in 2021. Generation from Geothermal Power increased from 663 MW in 2018 to 863 MW in 2021. Geothermal projects implemented included 165.4MW Olkaria V, and 25MW Geothermal Projects Wellheads. Generation from solar power realized 170MW by 2021 through implementation of Solar projects such as the 40MW Malindi solar group, 40MW Cedate, 40MW Selenkei and 50MW Garissa Solar.

The generation of wind power increased from 26MW in 2018 to 436MW in 2021 mainly due to implementation of 300MW Lake Turkana Wind Power project. During the review period small hydro's of between 0.51MW and 3.60MW were implemented with off grid sources contributing approximately 34MW to the total generated capacity. The MTP III targeted to generate 328MW from Coal Power Project, however only five (5) coal exploration wells were drilled in Kwale County. A number of factors slowed down coal development including persistent resistance from communities and leaders expressing environmental concerns.

Nuclear Power Development: This aims at boosting generation capacity from clean and low-carbon energy sources. During the review period Nuclear Regulatory Act 2019 was enacted which established the Kenya Nuclear Regulatory Authority.

Power Transmission: In MTP III, a total of 5,121 Kms of high voltage transmission lines and 77 substations were planned for implementation. Out of this, 841Km of transmission lines with a circuit length of 1,594Km and 5 sub-stations completed and energized by December 2021. These are: 435.6Km 400kV Loiyangalani-Suswa; 42Km 132kV Sultan Hamud-Wote; 6.75Km 220kV Embakasi-Athi-river underground cable; 309Km 400/220/132kV Olkaria -Lessos -Kisumu; 45km 132kV Mwingi-Kitui; and 1.5Km 220kV Olkaria IV –Olkaria V.

Last Mile Connectivity Project: The Third MTP targeted 5 million new households connection to electricity through grid and off-grid solutions. By December 2021, a total of 1.96 million customers were connected to the grid, thus pushing the overall connectivity to over 8.74 million customers translating to

about 75 per cent electricity access rate. The high growth in connectivity was facilitated by high levels of resource mobilization to subsidize connection costs; and implementation of an extensive connectivity campaign that included: electrification of public facilities across the country, national street lighting program and Global Partnership on Output-Based Aid targeting high population density areas in informal settlements.

Improved Power Supply Reliability: The programme aimed at improving power supply reliability by at least 20 per cent by 2022. Power supply reliability improved significantly from a Customer Average Interruption Duration Index (CAIDI) of 4.4 in 2017 to 4.03 as at June 2021 reflecting 8.4 per cent improvement.

Renewable Energy Technologies: During the review period, measures were taken to promote other alternative renewable energy technologies. These measures included: maintaining the established 16 energy centres which are used as a demonstration centre for 6 energy technologies (solar PV, solar thermal, biogas, charcoal kilns, improved cook stoves and fireless cookers); tree nurseries; installation of standalone solar systems; and promotion of alternative clean cooking solutions.

Other Programmes and Projects:

Development and Maintenance of Coastline Infrastructure and Inland Water Transport: During the review period, 54 meters of Ndau Seawall was constructed, three (3) Jetties namely Lamu Terminal Jetty Access, Shimoni Fisheries Jetty and Manda Jetty were constructed/rehabilitated while New Mokowe Jetty was at 85 per cent and Mtangawanda Jetty was at 96 per cent level of completion.

Revamping / Restructuring of Supplies Branch: Framework agreements/term supply contracts for 134 categories of common user items were prepared and are being used in procurement of common user items by other government institutions. Rehabilitation and Network cabling of the administration block and Stock Control block were completed. Refurbishment of Supplies Branch-Warehouses, godowns and drilling of boreholes were completed.

Improvement of Living and working Conditions in Government Buildings:

- **Modernization of Diplomatic Properties and Enhance security and branding of Missions:** A total of four (4) fully-fledged diplomatic Missions were established in; Accra (Ghana), Dakar (Senegal), Djibouti (Djibouti) and Bern (Switzerland); and appointment of Honorary Consuls in various cities namely: Jerusalem (Israel), Monaco (France), Toronto (Canada), Kolkata (India), Lahore (Pakistan) and Istanbul (Turkey) were facilitated.
- **Acquisition/development of Chanceries and Ambassadors residences in the East African Region:** constructed ambassador's residence and a Chancery in Mogadishu; Completed repairs of the Ambassador's residence in Addis Ababa; and renovated office block and Chancery in Dar es Salaam.

Policy, Legal and Institutional Reforms

- i) Developed Energy Policy, 2018;
- ii) Enacted Energy Act, 2019;
- iii) Developed the Toll Fund Policy;
- iv) Established National Road Toll Fund; and
- v) Amended National Transport and Safety Authority (NTSA) Act 2012.

Emerging Issues and Challenges

- i) High-cost of power and power connection;
- ii) Captive power and grid defection challenges;
- iii) Delay in construction of the related national transmission lines leading to contractual penalty charges on the Government;
- iv) Inadequate regional coordination framework for cross border projects;
- v) Slow adoption to the changing technology in survey, axle-road monitoring and control, structure inspection and diagnosis (DRIMS, Drones); and
- vi) Delays in land acquisition, compensation and completion of Resettlement Action Plans (RAPs).

Lessons Learnt

- i) Piloting of different tariffs to assess its impact and effectiveness is key to ensuring successful implementation; and
- ii) Conceptual designs should be well planned to avoid additional works during and after completion of the projects.

Recommendations

- i) Enhance road corridor surveillance and preservation to avoid court cases and compensation related to clearing of corridors and land acquisition;
- ii) There is need for enactment of the Land Index Bill;
- iii) Establishment of an Infrastructure Bank to support road construction;
- iv) There is need for research and innovation on alternative construction materials;
- v) Develop grid defection guidelines and a captive power policy; and
- vi) Develop an integrated road safety policy.

4.2 Information and Communication Technology

Overview

Information and Communications Technology (ICT) Sector plays a catalytic role in enhancing productivity across all sectors. Kenya is thus investing in this sector to take advantage of the “Fourth Industrial Revolution” that brings together digital, biological, and physical technologies to transform the country into a knowledge-based society. The Government recognizes the increasing dependency on the quality of ICT for its national infrastructure, regulatory and business environment, ICT usage, and investments among others. The country is distinguished for innovation in the ICT sector and its integration in the real sectors such as financial intermediation, e-commerce, and governance.

Overall Sector Performance

During the review period, under the universal access to information initiative, mobile network coverage increased from 93 per cent in 2018/2019 to 96 per cent in 2020/2021. The proportion of population with internet connectivity surpassed the set targets in all the years as shown in table 4.3. In 2018/2019, 2019/2020 and 2020/2021, the proportion of population with internet connectivity was 95.6 per cent, 83.4 per cent and 93 per cent respectively. The proportion of the country covered by digital TV Signal increased from 86 per cent in 2018/2019 to 91.2 per cent in 2020/2021. The proportion of households with access to Radio decreased from 96 per cent in 2018/2019 to 76.6 per cent in 2020/2021. Bits per second per capita increased significantly from 25,033.2 in 2018/2019 to 62,000 in 2020/2021 due to increased investment in internet speeds and connectivity.

Table 4.3: ICT Overall Performance for the Period between 2018/2019 and 2020/2021

MTP III Outcome	Outcome Indicators	2018/2019		2019/2020		2020/2021	
		Target	Actual	Target	Actual	Target	Actual
Universal Access to Information	Mobile Network Coverage (per cent)	93	93	94	96	97	97
	Proportion of the population with Internet Connectivity (per cent)	75	95.6	80	83.4	85	93
	Proportion of the country covered by digital TV Signal (per cent)	80	86	85	89.3	90	91.2
	Proportion of Households with Access to Radio (per cent)	96	96	97	76.6	98	76.6
	Bits per second per capita (Bps/Person)	21,000	25,033.2	21,500	59,969.3	22,000	62,000

Source: Ministry of ICT

Programmes and Projects

National ICT Infrastructure Programme

- **National Optic Fibre Backbone Infrastructure (NOFBI):** A total of 2,500Km of NOFBI was laid as targeted to connect at least 290 offices at the sub-county level. This was largely driven by improved partnership with the County Governments resulting to waiver of charges on the provision of wayleaves for the project.
- **County Connectivity Project Phase III:** 47 Counties were connected to NOFBI under the County Connectivity Project Phase III, 557 National and County Government buildings were connected with voice, IP telephony, and Internet services in all counties.
- **The Government Common Core Network (GCCN) Programme:** To provide reliable and stable interconnectivity between MDAs for efficient delivery of Government services, additional 26 MDAs were connected to GCCN. In addition, 443 government buildings, 91 hospitals and 23 police stations at the Counties were connected to GCCN resulting to upgraded Local Areas Networks (LANs) and a redundancy link.
- **e-Waste Management Centres:** Out of the targeted 6 e-Waste Management Centers to be established in economic zones spread across the country, only 2 e-waste centers were established during the period.
- **Eastern Africa Regional Transport, Trade and Development Facilitation Project:** The targeted rehabilitation of 600Km of fibre optic network under the Transport, Trade, and Development Facilitation project for East Africa were achieved.
- **Northern Eastern Corridor Transport Improvement Project (NETIP):** Fibre spurs rings were constructed and institutions and communities along the Northern-Eastern road corridor between Isiolo and Mandera connected.
- **National Addressing System (NAS):** The sector facilitated the development and deployment of Last mile mobile Application Post IT, to support development of the key pillars under operational requirements. In addition, development of an E-commerce Policy plus the Transformative Strategy was initiated.

e-Government Services Programme:

- **Digitization of Government records:** A total of 19 government agencies digitized their records. Under Universal access to ICT services, a total of 75 under-served and un-served sub-locations were connected with 2G basic Voice Infrastructure. On Broadband Connectivity to Schools, under Universal Service Obligations, 884 public schools were connected.
- **Strengthening Kenya Open Data Initiative (KODI):** Kenya Open Data Initiative was strengthened with KODI data sets made available online.

National Information Security Programme: To reduce Cyber-attack rates and vulnerability of government systems the Cyber Forensic and Investigative Systems was upgraded. This has allowed monitoring of cyber threats on a 24/7 basis. To enhance seamless cyber security incident reporting and response, an incident reporting mobile application, KE-CIRT app was developed and is available for free download on google play store and Appstore iOS.

Policy Legal and Institutional Reforms

- i) Data Protection Act, 2019 was enacted;
- ii) Digital Economy blue-print was developed;
- iii) The National Broadband Strategy 2019-2023; and
- iv) Enactment of the 2018 Computer Misuse and Cyber Security Act.

Emerging Issues and Challenges

- i) Unreliable power supply which affected ICT infrastructure;
- ii) Inadequate safeguards to protect ICT infrastructure;
- iii) Prolonged process of acquisition of way leaves/right of way for ICT infrastructure;
- iv) Low community education and awareness on ICT infrastructure;
- v) The ever-evolving nature of cyber threats and information security; and
- vi) In adequate awareness on Data Protection.

Lessons Learnt

- i) Continuous upgrade of ICT infrastructure to keep a breath with technological advancement is vital; and
- ii) Close intra-sectoral linkages are needed to promote the use of ICT infrastructure and leverage on Shared Infrastructure Frameworks.

Recommendations

- i) Enhance protection of the ICT infrastructure; and
- ii) Enhance community education and sensitization on ICT infrastructure.

4.3 Science, Technology and Innovation

Overview

Science, Technology and Innovation (ST&I) Sector aims at driving the transformation agenda by ensuring that all sectors have access to new technologies in order to increase productivity and efficiency. The Sector facilitates the development of a highly skilled human resource-base that would sustainably support and trigger innovation in priority areas. During MTP III, the sector targeted to increase Share of Research and Development funding as a per cent of GDP from 0.79 per cent to 2 per cent of the GDP. It also targeted to attain position 85 in Global Competitiveness Index ranking by 2022 from position 91 in 2016.

Overall Sector Performance

Research funding as a percentage of GDP increased from 0.8 per cent in 2019/2020 to 0.98 per cent in 2020/2021 but were below the targets of 1.1 per cent and 1.3 per cent respectively. The biggest proportion of funding to research and development was from the private sector with public funding averaging 0.01 per cent in 2019/2020. However, private sector participation remained below optimal due to weak academia-research–industry linkage thus, affecting strategic resource mobilization.

Table 4.4: Science, Technology and Innovation Overall Performance for the Period 2018/2019 to 2020/2021

MTP III Outcome	Outcome Indicators	2018/2019		2019/2020		2020/2021	
		Target	Actual	Target	Actual	Target	Actual
Improved Technological Innovation	Share of Research and Development funding as a per cent of GDP (per cent)	0.9	-	1.1	0.8	1.3	0.98
	Global Competitiveness Index (Rank)	90	85	89	95	88	95
	Global Innovation Index (Rank)	40	77	39	86	38	85

Kenya's global competitiveness index fell from position 85 in 2018/2019 to position 95 in both 2019/2020 and 2020/2021. The underperformance was due to weak linkages on funding, policy, investments and incentives for productivity improvement. The country slightly dropped its rank among the world's most innovative economies from 77 in 2018/2019 to 86 in 2019/2020 before improving slightly to position 85 in 2020/2021. Under performance was due to slow setting up of technology transfer offices to enable commercialization, and slow operationalization of the Innovation policy.

Flagship Programmes and Projects

Nano-Sciences, Material Science and New Production Technologies Programme:

- **The National Physical Science Research Laboratory for Engineering and New Production Technologies (NPSRL):** The land for construction of (NPSRL) has been secured at Konza Technopolis. The NPSRL strategy has been developed and designs for the three (3) labs; Material Science and Engineering; Theoretical and Computational Science; and Nanotechnology and mineralogy laboratories finalized and relevant approvals awarded from Public Works and Konza Technopolis Development Authority (KoTDA). The construction of a nanotechnology laboratory in KIRDI South B techno-centre was at 80 per cent completion. Dedan Kimathi University of Technology (DeKUT) launched a semiconductor technologies factory to manufacture nanotechnology products such as integrated circuits and sensors used in electronic gadgets such as mobile phones, televisions and computers. At Chuka University Science and Technology Park, value addition to milk products, manufacture of detergents, honey processing and water purification using Nano-technology were ongoing.

Space Science Technology Development Programme:

- **Square Kilometer Array:** During the period under review, feasibility study was done on conversion of the telescopes; Msc and PhD students were trained in South Africa on scholarships in astrophysics and Astronomy; High performance Computer was installed at NACOSTI; and

Facilities/courses on astrophysics were established at Kenyatta University and Technical University of Kenya.

Science, Technology, Engineering and Mathematics (STEM) Programme:

- **Kenya Advanced Institute of Science and Technology (KAIST):** The establishment of KAIST in Konza City was at 1.2 per cent construction rate with support from the Republic of South Korea. The Curriculum and Strategic Plan were developed and were undergoing stakeholders' validation awaiting approval by the Commission for University Education (CUE).
- **Enhancement of Centres of Excellence in Universities and Research Institutions:** Three centres of excellence were established: 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.

Coordination of Technology and Innovation Commercialization Programme:

- **National Science, Technology and Innovation Parks:** Developed a 10-year Master Plan for Science and Technology Parks that will help establish at least ten (10) Science and Technology Parks. These Parks will be located within Universities, Counties and at the Konza Technopolis. The designs for two National Science and Technology Parks that is Konza Technopolis and Dedan Kimathi University of Science and Technology were finalized. Construction works were also commenced for the National S&T Parks at Dedan Kimathi University of Science and Technology. Construction of a Science and Technology Park involves a twin-13 storeys tower at Chuka University was partially complete with five floors of one wing complete, equipped and services being offered.

County Technology and Innovation Delivery Services Programme: Kenya Innovation Academy (KeNIA) was established in collaboration with relevant institutions in various counties.

Other Programmes and Projects

Biotechnology and Biosciences Programme: The National Biosafety Authority (NBA) conducted risk assessment on GMO applications submitted by KALRO and approved three Genetically Modified crops Bt Cotton, Bt Maize and Cassava for environmental release. Created awareness on biotechnology and biosafety through biosafety workshops. Commissioned a factory at KALRO - Katumani for production and distribution of Aflasafe KE01 and bio-pesticide for the control of aflatoxin infestation for crops while growing in field. About 417 MT of Aflasafe KE01 were produced and distributed to maize farmers in the aflatoxin high prone counties.

Policy, Legal and Institutional Reforms

- i) Drafted Science, Technology and Innovation Policy.

Emerging issues and Challenges

- i) Inadequate research and innovation infrastructure in most public research institutions and universities;

- ii) Inadequate qualified staff to teach Science Technology Engineering and Mathematics (STEM) related programs;
- iii) The Innovation policy that is required to inform the realization of the Global Innovation indicators is not yet operationalized;
- iv) Weak linkage between industry and academia;
- v) Lack of framework to incentivize the private sector to invest in research and development; and
- vi) Low investment in the Natural Products Industry.

Lessons Learnt

- i) Enhancing commercialization of Research and Innovations will earn the Country the much-needed benefits in socio-economic development;
- ii) The growing innovation potential among Kenyan youth presents immense potential for the development and commercialization of ST&I; and
- iii) Kenya has an increased potential of benefiting through industrial production of diverse products including nutritionals, phytochemicals/ pharmaceuticals; ethno-veterinary; personal care products; household care; and organic fertilizers.

Recommendations

- i) Review the ST&I Act 2013.

4.4 Land Reforms

Overview

Land is a critical resource in the planning and development of all sectors of the economy. Secure access to land, proper land use planning, and equitable access to land are essential ingredients to food security, growth in investments and industries, and improved general household incomes given the country's reliance on agriculture. Over the MTP III period, the Government committed to upgrade policies and programmes covering overall land use, security of tenure, wider access to land titles, and promoting a transparent and secure land registration system.

Overall Sector Performance

Table 4.5: Land Reforms Overall Performance for the Period between 2018/2019 and 2020/2021

MTP III Outcome	Outcome Indicators	2018/2019		2019/2020		2020/2021	
		Target	Actual	Target	Actual	Target	Actual
Improved access, Tenure and Land Management	Title Deeds Registered and Issued (No.)	350,000	417,767	350,000	454,990	350,000	410,000
	Land Parcels Geo-referenced (No.)	50,000	49,747	50,000	24,000	60,000	50,269

Source: Ministry of Lands and Physical Planning

The sector registered and issued a total of 417,767 title deeds against a target of 350,000 in 2018/2019; 454,990 against a target of 350,000 in 2019/2020 and 410,000 against a target of 350,000 in 2020/2021 totaling to 1,282,757 title deeds issued for the three financial years countrywide. The target was surpassed due to increased land transactions as a result of land clinics conducted. Land parcels Geo-referenced were 49,747 in 2018/2019, 24,000 in 2019/2020 and 50,269 in 2020/2021 as indicated in table 4.5.

Flagship Programmes and projects

Registration, Processing and Issuance of Title Deeds. During the period under review a total of 1,497,047 title deeds were processed and issued by December 2021. The Sector commenced Land Title Conversion under the Land Registration Act, 2012, and Land Registration (Registration Units) Order, 2017. When complete, this will collapse land registration processes in the repealed land registration laws into one.

Towards operationalizing Community land Act, 2016 the Sector conducted a strategic consultation with key stakeholders in 24 counties with community land to fast-track the process and re-designated 113 Community Land Registrars. Three communities in Laikipia, Samburu, and Kajiado counties have been registered and issued with title deeds. On land adjudication, a total of 2,264 land adjudication sections were done.

National Land Management Information System (NLIMS): Developed NLIMS, an online platform, to enhance the security of land records, improve access to land-based information and cut down the cost of land transaction. One registry (Nairobi registry) has been fully digitized which is below the set target of digitization of 39 land offices by 2022. The underachievement was attributed to delays in development of the System and sorting of land records.

Implementation of National Spatial Plan (NSP) and National Land Use Policy (NLUP):

The sector prepared six Physical Development Plans for National Strategic Projects (Bomet, Narok, Kwale, Lamu, Tana-River and Machakos Counties) to guide socio-economic development and sustainable use of land. 47 county specific guidelines and seven specific guidelines were developed and disseminated to counties and sectors. A technical report on sustainable management of riparian reserves around rivers, lakes, seas, swamps, dams and springs was prepared with riparian reserves in Nairobi identified for restoration.

National Land Value Index: During the period under review, Land Value Index was completed in 15 counties: Mombasa, Kericho, Bomet, Kisumu, Nakuru, Meru, Machakos, Nyamira, Kajiado, Busia, Kakamega, Bungoma, Siaya, Vihiga and Narok.

Other Programmes and Projects

Modernization of Land Registries: A total of eight land registries were established in Kitui, Ol Kalou, Bomet, Mbeere, Naivasha, Nandi, Samburu and Laikipia.

The National Digital Cadastre: During the review period Nairobi digital cadastre was developed while Murang'a Digital Cadastre was ongoing. In addition, a total of 140,820 land parcel were geo-referenced Country-wide as at December 2021.

Survey and Maintenance of the National and International Boundaries: A total of 868Km of the National boundary were surveyed and maintained and 1,099 boundary pillars established along Kenya and the neighboring countries. A total of 8Km along Elwak-Mandera boundary was inspected to set out the security perimeter wall.

Settlement of the Landless. During the review period, a total of 25,067 landless households were settled in Kwale (348), Lamu (5,762), Mombasa (2,755), Kitui (1,167), Laikipia (790), Taita-Taveta (3,091), Makueni (9,380), Kilifi (538), Nakuru (1,050) and Machakos (186) counties.

Preparation of Regional Physical/ Spatial Plans and One Model County Spatial Plan: Physical development plans for two strategic national projects were prepared for Othaya and Chaka towns in Nyeri County.

Preparation of the Physical Planning Handbook: Draft physical and planning handbook was prepared.

Capacity Building and Technical Assistance to the Counties on Physical Planning: The sector supported counties in preparation of 28 Physical development plans, four county specific spatial plans for Bomet, Narok, Kwale and Lamu, and two (2) action area plans for Kwale and Tana River. A Master plan for Kenya Leather Park at Kenanie in Machakos County was also developed.

Development of Geospatial Data:

- **Development, extension and maintenance of national geodetic network:** The Sector established 734 geodetic controls and operationalized 20 Continuous Operating Reference Stations (CORs). In addition, 93 topographical and thematic maps were developed.
- **Development of hydrographic data base:** The Sector developed 14 maritime maps to support the Blue Economy. Kenya assented to the Intergovernmental Convention on International Hydrographic Organization (IHO) to enable the State to produce and have access to other hydrographic information worldwide, marine navigation, exploration and sustainable exploitation of marine resources.

Historical Land Injustice: The Sector received 1,300 historical land injustice claims out of which 721 were admitted. A total of 500 claims have been investigated and recommendations on appropriate redress made.

Natural Resources Inventory and Database: The sector developed an inventory of natural resources culminating in an atlas of the country's natural capital. In addition, the sector developed an interactive geo-portal and a theme specific database of the various natural resources for the Country.

Policy, Legal and Institutional reforms

- i) Draft Kenya National Spatial Data Infrastructure Policy;
- ii) Enacted the Physical Planning Bill (PPB), 2015 was enacted;
- iii) Physical and Land Use Planning Act (PLUPA) No. 13 of 2019 with its Regulations legislated; and
- iv) Reviewed Rating Act Cap 267 and Valuation for Rating Act cap 266.

Emerging Issues and Challenges

- i) Increased/heightened cases of land disputes in areas that have been earmarked for mega infrastructural development by the Government;
- ii) Lack of Land Value Index in most of the counties;
- iii) Rising water levels in water bodies have reclaimed riparian lands, thus leading to the need for policy and coordinated direction to redefine the riparian land boundaries as well as resettle affected communities;
- iv) Insecurity along the national and international boundaries; and
- v) Lengthy land acquisition and compensation processes for project sites.

Lessons Learnt

- i) Digitization of lands transactions and processes enhances public access to information and ease of doing business; and

- ii) Decentralization of services is key in improving access to land services.

Recommendations

- i) Fast track digitalization of all land records and process;
- ii) Promote use of Alternative Dispute Resolution (ADR) mechanisms in land disputes;
- iii) Timely signing of treaties by Kenya International Boundaries Office (KIBO) with neighbouring countries to facilitate prompt survey of international boundaries and public participation among communities; and
- iv) Provision of specialized land equipment/software for improved service delivery.

4.5 Public Sector Reforms

Overview

The Public Sector Reforms focuses on providing “A Citizen-Focused and Results-Oriented Public Service”. An efficient, effective, equitable, and ethical public sector is vital to the successful implementation of policies, programs, and projects outlined in Kenya Vision 2030 and its Medium Term Plans (MTPs). The planned reforms under MTP III placed emphasis on the delivery of public services and the implementation of the Government's “Big Four” transformative agenda.

Overall Sector Performance

To achieve the two thirds gender parity in public service, 36 per cent, 36.4 per cent and 53 per cent of officers recruited in 2018/2019, 2019/2020 and 2020/2021 were women respectively. To promote gender parity in senior management cadre in the Public service (Job Group P and above) the proportion of women in these cadres improved marginally. The proportion stood at 27 per cent, 29 per cent and 30 per cent in 2018/2019, 2019/2020 and 2020/2021 respectively against a set target of 30 per cent annually as illustrated in table 4.6. The Sector also conducted an assessment on levels of implementation of phase II CARPS among 67 MDAs. The level of implementation was 40 per cent in 2018/2019 and rose to 60 per cent in 2019/2020. In compliance with Articles 10 and 232 of the Constitution, the sector prepared and submitted to the President and Parliament an Evaluation report on Public Service for 2018/2019 -2020/2021. Overall Compliance Index was 42.4 per cent, 42.3 per cent and 40 per cent in 2018/2019, 2019/2020 and 2020/2021 respectively. During the period under review, seven Huduma Centres were established against a target of 20, bringing the total number of operational Huduma centres to 52 offering various public services to 26.9 Million Kenyans.

Table 4.6: Public Sector Reforms Overall Performance for the Period between 2018/2019 and 2020/2021

MTP III Outcome	Outcome Indicators	2018/2019		2019/2020		2020/2021	
		Target	Actual	Target	Actual	Target	Actual
Improved Public Service Deliver	Proportion of Officers recruited who are women in the public service (per cent)	50	36	50	36.4	50	53
	Proportion of public servants in Job Group P and above who are women (per cent)	30	27	30	29	30	30
	Proportion of Compliance with Public service Values and Principles of Governance(per cent)	73	42.4	75	42.3	75	40

MTP III Outcome	Outcome Indicators	2018/2019		2019/2020		2020/2021	
		Target	Actual	Target	Actual	Target	Actual
Proportion of MDAS that have reviewed establishment based on CARPS recommendations	No of MDAs assessed under CARPs (No.)	67	67	-	-	-	-
	Level of implementation of phase II CARPS (per cent)	100	40	100	60	-	-
Huduma Centers Established and operationalized	No. of Huduma Centers	10	7	10	-	-	-

Flagship Programmes and projects

Integrated Service Delivery Models (One-Stop Shops): During the period under review, within the Integrated Service Delivery Models, Seven (7) Huduma Centres were established and operationalized offering 126 services while 300 Mashinani outreaches were conducted cumulatively serving 2.5 million customers. A Contact Centre was established which served 21.25 million customers through calls, emails, and social media platforms. In addition, Huduma Kenya connected 21 Centres to the NOFBI to enhance services reliability which facilitated over 50 services being uploaded to the Huduma platform.

Capacity Assessment and Rationalization of the Public Service (CARPS): A unified Human Resource Payroll Number Generating System in the Public Service was developed and adopted to provide clear and unique identifier for each public servant. A total of 355,558 teachers and TSC secretariat staff were issued with a unique payroll number.

The Sector conducted a study and prepared a report on scarce and high priority skills for the Public Service. During the Plan period, a Succession Management Strategy was developed to address succession management challenges at both the national and county governments which facilitated promotion of 32,909 officers in MDAs. In addition, capacity building for over 200 public servants was undertaken within the strategic interventions.

National Capacity Building Framework: Under this project, the sector in collaboration with various stakeholders continued to implement the National Capacity Building Framework, 2013, and Competency Framework for the Public Service, 2017 with over 25,000 public servants trained.

Other Programmes and Projects

Enhancement of Public Service Delivery Systems and Processes: Over 80 service delivery processes were re-engineered in public service institutions while registration of Kenyans Abroad under the National Integrated Information Management System (NIIMS) was undertaken. In compliance with the Government COVID-19 protocols, deployment of Service by Appointment (SBA) and Track My Service (TMS) models were applied. The sector digitized 273,876 teacher files through the Electronic Document Management System (EDMS) project. Over 50 services were uploaded to the Huduma platform and 189 MDAs Service Delivery Charters have been uploaded on the Huduma Kenya portal. Kenya Investment Authority installed an investor Case Management System (CMS); an investor handling system that tracks registration and inquiry processes.

Transformative and Value Based Leadership: The sector prepared an Evaluation report for 2017/2018 - 2020/2021 Financial Years on Public Service compliance with the Values and Principles in Articles 10 and 232 of the Constitution. An Ethics training manual for the public service was prepared and values and principles was mainstreamed in induction and other training programs. A total of 11,661 interns under the Public Service Internship Programme were recruited, inducted and deployed to MDAs out of which 518 have transitioned into full employment. A total of 28,300 interns under the Teachers Internship Programme were recruited. In recognition of the challenges of Knowledge and Competency gaps and loss of critical skills due to retirements a Public Service Emeritus Strategy was developed.

Strengthening Public Sector Institutions:

- Reviewed implementation guidelines for the Public Service Training Revolving Fund (TRF), and the Memorandum of Understanding between the State Department for Public Service and the HELB on the administration of the Fund. During the period, the fund grew from Kshs.200 million to Kshs.380 Million with over 130 public servants benefiting.
- The Kenya Devolution Support Program supported Capacity Building in seven Counties on Human Resource and Performance Management. The Sector also developed and disseminated Competency Framework (CF) for the Public Service (2018) at both levels of government. On collaboration in Technical Assistance and Capacity Building with Development Partners, 6,300 public servants were trained through development Partners' support mainly from Japan, China, Australia, Korea, and India to pursue short and long-term training in various fields.
- The sector developed 53 in-service training programmes and reviewed 27 in-service curricula and training programs to address the emerging needs and skills gaps required in the public sector. A total of 37,092 civil servants from the national government and 15,322 from the county government were trained and certified by the Kenya School of Government (KSG).
- The Medical Insurance Scheme was reviewed with civil servants covered increasing from 120,324 in 2018/2019 to 130,370 in 2021/2022. In addition, the medical scheme covered about 110,000 members of the Police service commission and 350,000 members of the Teachers Service Commission, annually. A Post-Retirement Medical Insurance Policy and Guidelines was developed and a Post-Retirement Medical Insurance Scheme Trust Deed for Civil Servants, Teachers, and Disciplined Services personnel developed awaiting Cabinet approval.
- During the review period the sector developed and rolled-out the Competency Framework for the Public Service to serve as a tool to attract, select and recruit candidates in the whole public service. A total of 16 MDACs are currently implementing the framework.
- The Foreign Service Academy was established to provide specialized training program for Foreign Service personnel for effective representation and articulation of Kenya's foreign policy. The academy has trained diplomats from Eastern Africa region and beyond.

Enhanced Public Service Productivity to Leverage on Kenya's Global Competitiveness: Draft Productivity Measurement Framework was developed and over 200 public servants sensitized and trained on Productivity Tools and Techniques. A total of 31 State Corporations were trained on Productivity Measurement and Improvement. The sector focused on improving the ease of doing business, development of framework for productivity enhancement in public sector, and research and development through development of digital tools such as Kenya E-regulations portal; and the e-

investment opportunities. A modern One Stop Centre was established to facilitate timely processing and approval of investor application documents.

Institutionalization and Strengthening Result Based Management:

- **Public Service Transformation Framework:** The Framework was rolled out to facilitate the transformation of the Public Service with the objective of establishing strategies to guide National and County Governments to restructure their public services organizations. In addition, capacity building of over 200 public servants was undertaken within the strategic interventions contained in the Framework.
- **Integrated Result Based Management in the Public Sector:** The Government Performance Contracting Information System was developed to enhance the efficiency and effectiveness of the performance contracting process in the Public Sector.
- **Knowledge Management:** During the period under review, Knowledge Management Policy to promote, mainstream and institutionalize knowledge management in the public sector was developed.
- **Developing and rolling out a framework for performance management in the public service:** During the review period, over 20 public service institutions were placed on Rapid Result Initiative and 80 service delivery processes were re-engineered. Eligible 393 MDAs were placed on Performance Contract and annual review of the Performance Contracting Guidelines undertaken.

Policy, Legal and Institutional Reforms

- i) Developed Kenya Integrated Performance Management Policy;
- ii) Developed Post-Retirement Medical Insurance Policy;
- iii) Developed Public Service (Performance Management) Regulations, 2021;
- iv) Operationalized the Public Service Superannuation Scheme; and
- v) Strengthened Public Service Training Revolving Fund.

Emerging Issues and Challenges

Emerging Issues

- i) Adoption of new working arrangements like virtual meetings, working from home, flexible working hours and working in rotation.

Challenges

- i) Delays in appointments of members of constitutional commissions, independent offices, boards, councils and tribunals;
- ii) Frequent Industrial unrests at both levels of government especially in critical sectors like health; and
- iii) Weak Compliance with human resource policies and regulations at the county level.

Lessons Learnt

- i) Proper coordination and collaboration among intergovernmental and inter-agency in service delivery is critical to the successful implementation of reforms in the sector;
- ii) Integration of human resource information management system improves efficiency in human resource management; and
- iii) Service delivery innovations are a critical driver in public service transformation.

Recommendations

- i) Optimally fill vacant positions in the public service institutions to enhance service delivery in high priority and scarce skills cadres;
- ii) Enhance oversight and compliance function in the implementation of human resources management and development policies, standards and norms in the public service; and
- iii) There is need to promote and mainstream productivity management in the public sector to leverage national competitiveness.

4.6 Labour and Employment Sector

Overview

The Sector is crucial in promoting jobs creation, productivity and conducive working conditions. The Sector's goals are well aligned to the Constitution which has entrenched labour, employment and social security rights as well as protection of the vulnerable groups.

Overall Sector Performance

The number of jobs created in 2018/2019 were 847,200 whereas in 2019/2020 a total of 737,000 jobs were lost due to the containment measures of COVID-19 pandemic that led to reduction in economic activities, business closures and movement restrictions. Jobs created in 2020/2021 rebounded to 926,000 due to the relaxation of the COVID-19 containment measures. The country's labour productivity index rose from 3 per cent in 2018/2019 to 3.8 per cent in 2020/2021 due to improved productivity in Agriculture sector. The country improved in the competitiveness index from 3.98 in 2018/2019 to 3.8 2019/2020 an indication of the country's improved competitiveness. The number of hard to serve youth provided with core life and business skills improved significantly from 8,711 in 2018/2019 to 36,283 in 2020/2021 attributed to implementation of the Kenya Youth Employment Opportunities Project (KYEOP). There was a rise in unemployment rate from 7.4 per cent in 2018/2019 to 12.3 per cent in 2020/2021 mainly attributed to suppressed economic performance in 2020 as shown in table 4.7.

Table 4.7: Labour and Employment Overall Performance for the Period between 2018/2019 and 2020/2021

MTP III Outcome	Outcome Indicators	2018/2019		2019/2020		2020/2021	
		Target	Actual	Target	Actual	Target	Actual
1. Enhanced Labour Productivity	No. of Jobs Created ('000) (disaggregated By Sex)	1000	847.2	1150	(737)	1350	926
	Country Labour Productivity Growth (per cent)	3.0	3.0	3.1	3.1	3.2	3.8
	Country Competitiveness Index (Out of 7)	4.0	3.98	4.1	3.8	4.2	-

MTP III Outcome	Outcome Indicators	2018/2019		2019/2020		2020/2021	
		Target	Actual	Target	Actual	Target	Actual
2. Increased Employability of the Youth	Hard to serve Youth provided with core life and business skills by (disaggregated by Sex)	7542	8711	25,000	11,493	42,000	36,283
	Unemployment Rates per cent(disaggregated by Sex)	7.0	7.4	5	13	5	12.3

Source: Economic survey 2022, Ministry of Labour

Flagships Programmes and Projects

Kenya Labour Market Information System (KLMIS): During the period under review, the following were achieved: establishment of a Labour Market Observatory Unit; three additional modules (including 5 Application Programme Interfaces (API) access, Employer access and Training Institutions access) were developed; and trained 45 officers in various analytical skills. Further, labour market information indicators were developed and disseminated through the KLMIS.

Strengthening Linkages between Industry and Training Institutions: The National Industrial Training Authority (NITA) collaborated with 158 institutions on skills development across the country on industrial training, attachment and apprenticeship. In addition, Industrial Training Schemes and Trade Testing Rules were reviewed to align them to the Kenya National Qualifications Framework (KNQF). Standards and guidelines were developed for implementation of Policy on Recognition of Prior Learning (RPL) both in the formal and informal sectors.

The first component of KYEOP was implemented targeting to increase employment and earning opportunities for youths aged between 18 and 29 years. A total of 69,362 vulnerable youths were provided with a 6-month Job Specific Skills Training, certified and provided with internship opportunities. In addition, 180 Formal Training Providers and 8,381 Master Craftsmen were contracted, and 728 Master Craftsmen trained in Pedagogy. The Sector also developed 11 Occupational Competency Standards, 187 Qualification Packs and 217 Assessment Guidelines for Master Craftsmen, and a risk management framework.

The Sector developed Quality Standards for 33 trade test areas and assessed the competences of 217,361 people in 38 trades through the Government Trade Test system. Further, a total of 80,015 students and 17 lecturers were placed on industrial attachment.

National Internship Programme: The Sector developed a National Internship Policy and Guidelines and placed 4,000 youth on internship through the National Employment Authority.

Research and Training in Occupational Safety Health: Construction of the Occupational Safety and Health Institute was at 71 per cent completion. The Institute will be a specialized research and training centre on occupational safety and health and serve as a demonstration centre for best methods for control of occupational hazards.

Establishment of an Alternative Dispute Resolution Mechanism (ADR): The Sector established the Alternative Dispute Resolution Mechanism under which 13 Conciliators were gazetted and inducted; a Secretariat established; and Draft Rules developed. Through the ADR, four matters were arbitrated; conciliation services provided to 10 disputes from the Public Sector, and a multi-agency committee to address health workers' issue established. The Sector resolved 14,738 labour disputes translating to 82.3 per cent of the total disputes received; and recovered Kshs.12, 853,288 from employers involved in the resolved labour disputes and the money given to the affected employees. In addition, the Sector sensitized 1,192 representatives from key stakeholders on deepening social dialogue.

Other Programmes and Projects

Human Resource Planning and Development: Under this programme quarterly reports on Job Opportunity Analysis were prepared. In addition, the Informal Sector Skills and Occupations Survey and a Training Needs Assessment (TNA) in the Energy Sector carried out and the results disseminated. In addition, the Kenya Standard of Industrial Classification (KeSIC) Rev. 4 was prepared to domesticate the International Standard of Industrial Classification (ISIC).

Skills Development: The Sector accredited and registered 1,404 private training providers to facilitate provision of industrial training; trained 167,323 persons working in the Export Processing Zone (EPZ) in various industrial skills; trained 124 persons in Apprenticeship Training and 133 Indentured Learners to develop a pool of highly skilled workers in the formal and informal sectors. Further, Mombasa and Athi River Industrial Training Centres (ITC) were expanded and upgraded with modernized equipment.

Employment Promotion: To operationalize the National Employment Authority, 22 employment officers were recruited and deployed to the county employment offices. The Sector developed an on-line portal www.neaims.go.ke to facilitate registration and placement of graduates in internship programme and employment, and registration of Private Employment Agencies (PEA). Career guidance was provided to 166,445 jobseekers and a total of 63,617 jobseekers placed in employment locally through Public Employment offices.

The National Employment Promotion Centre was 72.1 per cent complete. In addition, five modern county employment offices in Embakasi, Eldoret, Kisumu, Siaya, and Thika were networked and equipped to facilitate efficient provision of public employment services. An Inter-Ministerial Vetting Committee was established and a total of 549 Private Employment Agencies vetted and registered.

Kenya signed a Bilateral Labour Agreement (BLA) with the United Kingdom on collaboration on Health care workers. Guidelines for rights-based model BLA were developed and adopted by the Intergovernmental Authority on Development (IGAD) member states to enhance extension of rights and protection of the Kenyan Migrant Workers. Further, the Government signed 43 Cooperation Frameworks aimed at safeguarding the interest of Kenyans working in the diaspora. The Sector established a management information system to capture data on Kenyan migrant workers and developed a registration interface. A Regional Ministerial Forum on harmonization of labour migration policies across East and Horn of Africa (EHOA) was established involving 11 countries namely: Kenya, Tanzania, Uganda, Burundi, Rwanda, Somalia, Ethiopia, Djibouti, Eritrea, Sudan and South Sudan.

A Home Care Management Curriculum was developed to address the challenges faced by workers working in private households and institutions both locally and abroad. In addition, the National Industrial Training Authority trained 564 trainers of trainers; trained 163,710 out-bound migrant

domestic workers where 100,337 jobseekers secured employment abroad; and accredited 110 training Institutions.

On promotion of green jobs, the sector carried out a situation analysis of Green Jobs in Kenya and prepared a roadmap towards development of a National Green Jobs Strategy and Implementation Action Plan.

Productivity and Competitiveness: National and sectoral productivity indices were developed annually in 17 economic sectors and 655 productivity experts trained on productivity improvement tools. The Country implemented Kaizen Initiative Productivity Improvement Programmes in 71 enterprises drawn from Textile, Tea, Dairy, Grain milling and SME sub-sectors. The sector trained 1,042 trainers of trainers in various sectors of the economy and developed a Framework and a Tool to measure productivity in the public sector.

Occupational Safety and Health (OSH): The Sector inspected and audited 18,590 workplaces for compliance with the Occupational Safety and Health Act (2007); procured two (2) specialized hygiene and medical surveillance equipment; examined 65,747 plants and equipment for early detection and effective mitigation of hazardous conditions; medically examined 221,099 workers in classified hazardous workplaces; and trained 56,397 members of the Workplace Health and Safety Committees. Operators in 8,458 Micro and Small Enterprises (MSEs) in the Manufacturing, Health, Agriculture and Construction Sectors were sensitized on OSH. The Sector sensitized 170 Health Care Providers on Basic Occupational Health Services in six Level-5 hospitals in Nairobi, Nakuru, Kiambu, Kajiado, Nyeri and Thika and trained 150 medical practitioners on collection, analysis and reporting of work injuries. The Occupational Safety and Health Fund was established and a total of 37,639 workplaces registered.

Promotion of Harmonious Industrial Relations: The Sector carried out 15,854 labour inspections on wages, terms and conditions of employment to ensure adherence to the minimum provisions of the labour laws; established 11 Wages Councils including Extraction Industry (Oil and Gas), Maritime Industry; and Tailoring and Garment Making Wages Councils; and developed and launched the Third Generation Decent Work Country Programme (2021-2024).

Towards elimination of child labour in the country, the Sector established four County Child Labour Committees in Kwale, Kajiado, Nairobi and Bungoma Counties. In addition, 48 Labour Inspectorate officers and inspectors were trained on elimination of child labour, forced labour and human trafficking. A total of 100 Civil Society Organizations were trained and oriented to the national referral framework to provide quality services to survivors of child labour, forced labour and human trafficking.

The Sector analyzed 914 Collective Bargaining Agreements covering 580,267 unionisable employees for conformity with Wage Orders and the labour laws. Further, 32 economic disputes were investigated and reports submitted to the Employment and Labour Relations Court to inform the judgement passed on arbitrated labour matters.

During the period under review, Kenya ratified two conventions, C185 Seafarers Identity Documents (Revised) 2003 and C188 Work in Fishing; and prepared and submitted nine reports to ILO on implementation of the ratified Convention. The Sector resolved 89 per cent of registered labour disputes through the Attaché Offices in Qatar, United Arabs Emirates and Saudi Arabia and repatriated 2,456 Kenyan migrant workers in distress.

Management and Regulation of Trade Unions: The Sector trained 80 newly elected Trade Union Officials from the Kenya Union of Post Primary Education Teachers (KUPPET), 15 women in manufacturing; and 20 Trade Unions officials on promotion of Labour inspectorate services.

Social Security: Establishment of Unemployment Benefit under the National Social Security Fund (NSSF) Act, 2013 was initiated during the period under review. NSSF registered 1,238,769 new members by December 2021 while membership coverage declined from 2.8 million in 2017 to 2.5 million in December 2021 representing a 2.7 per cent decline. The decline was as a result of increased benefits claims following loss of jobs due to COVID-19 pandemic. The Fund also registered 146,935 new employers in 2021 thus increasing the total number of registered employers from 75,895 in 2017 to 222,830 in 2021. The Fund launched “Haba Haba” product for the informal sector and by December 2021, the Fund had registered 249,485 members and collected Kshs 5,536,840 as contributions.

Promotion of Micro and Small Enterprises: The Sector, through KYEOP Component II provided grants and Business Development Services (BDS) to 57,935 youth and a total of 8,162 MSEs were supported to participate in local, regional and international markets. Sessional paper No. 5 of 2020 on *Kenya Micro and Small Enterprises Policy* for Promoting MSEs for Wealth and Employment Creation was developed and operationalized.

Policy, Legal and Institutional Reforms

Policy Reforms

- i) Developed Sessional Paper No. 5 of 2020 on Kenya Micro and Small Enterprises Policy for Promoting MSEs for Wealth and Employment Creation;
- ii) Developed the Recognition of Prior Learning Policy; and
- iii) Developed National Policy on Labour Migration.

Legal Reforms

- i) Reviewed the Employment (Amendment) Act, 2021.

Institutional Reforms

- i) Established and operationalized the Alternative Dispute Resolution Mechanism;
- ii) Operationalized National Employment Authority; and
- iii) Established 13 Wages Councils.

Emerging Issues and Challenges

- i) High unemployment rate among the youth;
- ii) Poor linkage between education and industry; and
- iii) Inadequate framework to promote inclusive and sustainable Labour Migration.

Lessons Learnt

- i) Use of ICT as an employment seeking tool and a jobs creator can be exploited further to promote innovative job search and job matching technologies which create employment opportunities.

Recommendations

- i) Leverage on ICT to enhance work productivity and increase job creation;
- ii) Establish a clear framework to guide on design and implementation of public labour-intensive youth employment programmes; and
- iii) Fast-track the finalization of national labour migration policy.

4.7 National Values and Ethics

Overview

National Values and Ethics is one of the cornerstones of the country's overall development. During the Plan period, emphasis was put on enforcing laws and policies that enhance national values and ethical behavior; and enhancement of citizen and stakeholder engagement to facilitate ownership of programmes and projects. Advancement of national values and ethics is key to the realization of a cohesive, values driven and prosperous nation as envisioned in the Constitution of Kenya.

Overall Sector Performance

The number of public institutions mainstreaming national values and principles of governance increased from 370 in 2018/2019 to 397 in 2020/2021. This is attributed to the mainstreaming of the National Values Indicator in the Performance Contracts of MDAs and the Constitutional requirement for the President to report annually on measures taken and progress achieved in the realization of national values and principles of governance. The number of human rights violations cases reported and concluded decreased from 1,699 in 2019/2020 to 1,303 in 2020/2021.

Table 4.8: National Values and Ethics Overall Performance for the Period 2018/2019 to 2020/2021

MTP III Outcome	Outcome Indicators	2018/2019		2019/2020		2020/2021	
		Target	Actual	Target	Actual	Target	Actual
Increased compliance to national values and ethics	Number of public institutions mainstreaming national values and principles of governance	200	370	220	373	240	397
	Number of human rights violations cases reported and concluded	4,000	-	2,000	1,699	1,000	1,303

Source: Annual Progress Report, Ministry of Interior and Coordination of National Government Reports

Flagship Programmes and Projects

Enforcement of Policy, Legal and Institutional Frameworks: During the period under review, a total of 20,223 reports were received and processed, out of which 7,744 reports were on corruption, economic crime and unethical conduct; and a total of 285 investigations on violations of Chapter Six of the Constitution and Leadership and Integrity Act were completed. In addition, a total of 160 cases on corruption, economic crime and unethical conduct were finalized in court out of which 95 were convictions, 53 acquittals and 12 withdrawals; and conducted 40 proactive investigations which resulted in averting possible loss of public funds of approximately Kshs. 23.859 billion.

The following policies were adopted: National Ethics and Anti-Corruption Policy 2019, Alternative Dispute Resolution (ADR) Policy, Public Participation Policy 2019, Teaching Service Policy 2020, Reward and Sanction Policy 2020, and National Policy Framework for the implementation of the Sexual Offences Act, 2006.

Other Programmes and Projects

Institutionalization of National Values and Ethics: During the review period, six public institutions were recognized and issued with certificates for exemplary performance in mainstreaming, monitoring, evaluation and reporting on national values and principles of governance. KNCHR reviewed over 100

Bills and Policies and offered 94 advisories to ensure provisions of proposed laws, policies and administrative decisions comply with the Bill of Rights and international and regional human rights instruments. Over 2,400 participants from public institutions were sensitized on the online evaluation tool for national values and principles.

A total of 34 public entities were trained on implementation of Chapter 6 of the Constitution and 11,478 copies of technical guidelines disseminated for implementation of Chapter 6 of the Constitution; two research studies on cohesion were conducted. In addition, IPOA received and processed 2,970 complaints against members of the National Police Service; conducted a total of 364 inspections of police premises and detention facilities; and concluded 713 cases of police misconduct.

Enhancement of Citizen and Stakeholder Engagement: During the review period, dissemination of reports on national values and ethics, and sensitization of the public on the National Values and Principles of Governance Policy was undertaken. These included dissemination of 4,000 booklets and Information, Education and Communication materials on national values and principles of governance; avenues for citizen feedback that included rolling out *Amani* (Peace) Club Curriculum in 200 schools across the country reaching over 500,000 students/pupils and 1,000 teachers were strengthened. The EACC implemented integrity outreach programs in 414 learning institutions, established integrity clubs in 122 institutions, trained 104 school managers and disseminated braille IEC materials on national values to 8 learning institutions for persons with disabilities.

Mainstreaming Monitoring and Evaluation (M&E): Four Annual President's Reports on measures taken and progress achieved in the realization of national values and principles were prepared during the review period. In addition, four annual evaluation reports on the extent to which values and principles in Articles 10 and 232 are complied with throughout the public service was prepared.

Emerging Issues and Challenges

- i) Increasing use of social media to propagate hate speech and ethnic contempt;
- ii) Increased radicalization;
- iii) Low adherence to values and ethical behavior by the citizens;
- iv) Gaps in the integrity and anti-corruption statutes; and
- v) Slow judicial process in the prosecution of hate speech.

Lessons Learnt

- i) Adherence to national values and ethics among citizen is necessary for successful implementation of programmes and projects.

Recommendations

- i) Review and propose amendments to legal and regulatory framework in the fight against corruption and unethical conduct; and
- ii) Increased targeted capacity building of the youth on the need for values and ethical behavior.

4.8 Ending Drought Emergencies

Overview

The Sector seeks to end drought emergencies and food insecurity in Kenya. The government has adopted an Ending Drought Emergencies Initiatives anchored on six pillars namely: 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. The objective of the Initiatives is to enhance food and nutrition security; and community resilience for sustainable development.

Overall Sector Performance

The number of people requiring food assistance as a result of drought emergencies reduced from 2.56 million and 2.6 million in FY 2018/2019 and 2019/2020 respectively to 2.3 million in FY 2020/2021 due to targeted interventions in the Sector as illustrated in table 4.9. The increased investments in resilience building (water harvesting, dam construction, water pans, irrigation and livestock marketing infrastructure) by both the national and county Governments in the ASAL Counties contributed to reduced stress from drought. In addition, all the 23 ASAL counties integrated and implemented the EDE Strategy in their respective CIPDs and Annual Development Plans (CIDPs and ADPs).

Table 4.9: Ending Drought Emergency Overall Performance for the Period 2018/2019 to 2020/2021

MTP III Outcome	Outcome Indicator	2018/2019		2019/2020		2020/2021	
		Target	Actual	Target	Actual	Target	Actual
Reduced hunger	Number of people requiring food assistance as a result of drought emergencies	2.5	2.56	2.4	2.6	2.3	2.3
	No. of ASAL counties (23) that integrate and implement the EDE Strategy in their CIDP II./ ADP	10	23	15	23	19	23

Source: State Department for ASALs and National Drought Management Authority

Flagship Programmes and Projects

National Integrated Drought Early Warning Systems: Drought Early Warning System was modernized through adoption of mobile phone technology for data collection and transmission and use of remote sensing to produce County Vegetation Condition Index (VCI). Consequently, the Sector produced and disseminated monthly drought early warning bulletins for each of the 23 ASAL Counties (a total of 276 bulletins annually); 12 national drought early warning bulletins annually; and 46 short rains and long rains assessments reports annually.

National Drought Emergency Fund: The National Drought Emergency Fund (NDEF) was operationalized by the Public Finance Management (National Drought Emergency Fund) Regulations, 2021. Guidelines to operationalize the regulations was developed and a capitation of Kshs.2 billion committed.

Hunger Safety Net Programme: A total of 100,064 selected households in Turkana, Mandera, Marsabit and Wajir counties received Kshs.5,400 cash transfer every two months. The programme was expanded to Isiolo, Tana River, Samburu and Garissa counties. The project has a scalability component that enables more households who are not covered under the regular programme but are affected by calamities such as drought to receive cash transfers to cushion them against such calamities.

Integrated Knowledge Management System for EDE: The Knowledge Management Information Sharing Platform for Drought Risk Management and Ending Drought Emergencies system was completed in

2020/2021. Testing of the System has been completed and the knowledge web may be accessed via <http://knowledgeweb.ndma.go.ke>.

Other Programmes and Projects

Drought resilience and climate change adaptation: Facilitated integration of EDE and climate-proofing in the design of seven (7) multipurpose dams, 296 dams and water pans that were constructed during the period under review. In addition, through cash/food for assets, 1,413 micro-projects were implemented in target communities. Further, 38 drought preparedness projects were implemented over the review period.

Drought risk management and coordination: Improved coordination and implementation of regular bi-annual food security assessments and production of tools and reports such as Long and Short Rain Assessment Reports. Drought Early Warning Bulletins and Advisories were modernized and regularly produced for improved preparedness and responses. Coordination structures were strengthened both at national and county levels with 780 County Steering Group meetings to coordinate drought risk management and 49 Drought and Food Security national coordination meetings held over the three-year period.

Drought contingency planning and response: In order to ensure informed and effective response, 23 ASAL Counties were supported to review/develop their annual County Drought Contingency Plans and Drought Response Plans. The Government jointly with the European Union contributed to drought contingency funding cash transfer scale-ups. To protect 16,942 vulnerable households in Mandera and Wajir counties from hunger, loss of livelihood and assets, scalable cash transfer amounting to Kshs. 88,761,533 was disbursed in 2020/2021.

Strengthening of the cross-border peace and security committees in frontier ASAL counties: The Sector reviewed Conflict profiles and scenario building for Marsabit, Mandera, Wajir, Turkana, Garissa and West Pokot.

Alternative dispute resolution mechanism: Established County and community institutional frameworks for peacebuilding, conflict management and Alternative Dispute Resolution (ADR) operating at county, cross-county and cross-border levels.

Policy, Legal and Institutional Reforms

- i) National Policy for Sustainable Development of Arid and Semi-Arid Lands was reviewed;
- ii) The NDMA Act 2016 amendment bill was enacted;
- iii) The National Drought Emergency Fund Regulations 2021 were developed and approved; and
- iv) County Peace Committees were reconstituted and Conflict Early Warning Early Response Mechanisms in 23 ASAL Counties strengthened.

Emerging Issues and Challenges

Emerging Issues

- i) Emergence of virulent strains such as Antimicrobials Resistance (AMR) in both human, livestock and wildlife; and
- ii) Pests such as desert locust and fall army spreading in large numbers cross the country affecting local and national food systems.

Challenges

- i) Fragmented Disaster Risk Financing leading to partial implementation of strategies geared towards prevention, preparedness, mitigation and response of disasters;
- ii) Resource based conflicts undermined coping capacities of the exposed communities by limiting migration, access to pastures and water resources;
- iii) Extremism along the borders disrupted traditional grazing patterns causing increased communal violence and related displacement; and
- iv) Climate change has increased the number of occurrences and intensities in specific hazards such as floods and drought.

Recommendations

- i) Fully operationalize National Drought Emergency Fund (NDEF);
- ii) Promote use of the hazard atlases for disaster risk management planning and programming at the Counties; and
- iii) Complete and operationalize the Knowledge Management and Information System for EDE.

4.9 Security, Peace Building and Conflict Resolution

Overview

A peaceful and secure environment is a pivotal incentive for attracting domestic and foreign investment, which are catalytic in spurring sustainable socio-economic development. National peace and security is critical for a society free from danger and fear. This entails protection from physical/direct violence or violation of constitutional rights, a sense of safety and protection of economic resources.

Overall Sectoral Performance

The Police Population ratio was at 1:458 against 1:420 target, in 2018/2019 and has reduced progressively to 1:536 in 2019/2020 and 1:470 in 2020/2021 against 1:420 and 1:403 in the same years respectively and were below the UN threshold of 1:450. There was improvement in reduction of crime occurrences as the crime rate went down from 5 per cent in 2018/2019 to 4.4 per cent in 2019/2020. The Government has improved on immigration services through transition to e-passport where 330,684 e-passport were issued against 800,000 in 2018/19. This increased to 374,786 in 2019/2020, but decreased to 220,070 in 2020/2021. Issuance of e-Visas increased from 384,978 in 2018/2019 to 525,000 in 2019/2020 but reduced to 257,940 in 2020/2021. The reduction may be attributed to the effects of Covid-19, especially the international lockdowns.

There was a net influx of refugees by 24,706 within the period under review arising from the total number of registered refugees of 72,724 against the total of 48,018 refugees voluntarily repatriated as illustrated in table 4.10.

Table 4.10: Security, Peace Building and Conflict Resolution Overall Performance for the Period 2018/2019 to 2020/2021

MTP III Outcome	Outcome Indicator	2018/19		2019/20		2020/21	
		Target	Actual	Target	Actual	Target	Actual
Enhanced security in the country	Police to Population Ratio	1:420	1:458	1:420	1:536	1:403	1:470
	Crime Rate (%)	6	5	5.42	4.4	5.1	-
	Timeliness in the Crime Scene Response hours	2	45min	1.5hrs	45min	1.5	2 hrs
Enhanced citizen participation in security matters	per cent of Nyumba Kumi Coverage	100	70	100	80	100	80
	Participation of Women in the County Peace and 3. Security Committees	30	33	31	33	33	32
Improved management of correctional services	Percentage of offenders contained, supervised	100	100	100	100	100	100
	Percentage of offenders rehabilitated and reintegrated to the community	100	100	100	100	100	100
Improved immigration services	No of e- Passports Issued	800,000	330,684	500,000	374,786	250,000	221,070
	No of Work Permits Issued	24,000	22,487	26,000	14,941	30,000	19,380
	No of E-visa Issued	419,300	384,978	469,200	525,000	580,500	257,940

MTP III Outcome	Outcome Indicator	2018/19		2019/20		2020/21	
		Target	Actual	Target	Actual	Target	Actual
Improved refugee management	No of Refugees Registered	22,500	22,189	26,000	27,000	28,000	23,535
	No of Refugees Relocated	12,000	12,425	13,000	13,600	14,000	300
	No of Refugees Voluntarily Re-patriated	11,500	34,762	12,000	12,000	13,000	1,256

Source: Ministry of Interior & Coordination of National Government

Flagship programmes and Projects

Installation of Surveillance Cameras in Nairobi & Mombasa Metropolis, Nakuru, Eldoret and Kisumu:

The National Police Service operationalized the Command and Control Center (IC3) in Nairobi and Mombasa in order to improve crime surveillance, deterrence and response.

Equipping the National Forensic Laboratory: Equipping of the National Forensic Laboratory was at 60 per cent completion level.

Police Modernization: During the period under review, the Sector acquired and distributed assorted security equipment for specialized units, 112 Mine-Resistant Ambush- Protected and Armored Personnel Carriers. This was aimed at enhancing security of persons and property.

KDF Modernization: The Sector acquired assorted security equipment; developed Kenya Space Agency satellite ground station; implemented securitized projects under Kenya Corps of Engineers Agency; and produced 1,800 mobile field kitchens (energy saving kitchens).

Acquisition of an Integrated Case Management System: The sector through National Police Service (NPS) digitized Occurrence Books (OBs) in Nairobi Region.

Construction and equipping of National Police Service Hospital: The construction of the NPS Hospital was at 70 per cent completion level.

Construction of 20,000 police and 6,000 prison staff houses and 37 new prison wards: In 2018 there was a policy shift to payment of house allowances to all security officers. The Sector constructed and completed 84 decent prison staff houses being rented out to officers manning various correctional facilities.

Completion and equipping the 6 model prisons facilities: During the period under review, prisoners' wards at Kaloleni, Machakos and Kitengela prisons were constructed; CCTV and Mobile Jammer at Manyani Security Maximum prison installed; and perimeter wall at Kamae Girls Borstal Institution constructed. In addition, a total of 11 female rehabilitation facilities were gazetted and operationalized.

Other Programmes and Projects

Security agencies modernization: Kenya Wildlife Service acquired modern equipment and adopted modern technology; adopted Force Modernisation as a strategy for combating poaching and illegal trafficking of trophies. The efforts resulted in reduced rhino and elephant poaching from 9 and 80 cases in 2017 to 6 and 25 cases in 2021, respectively through intelligence-led law enforcement operations.

The Sector adopted and scaled up e-services including online applications for passports and cashless payment through e-Citizen, online applications for work permits, foreigner certificates, and other foreign national management services. The Facial Recognition component of the Integrated Border Control System in Muhuru Bay, Jomo Kenyatta International Airport and Moi International Airport was developed. Further, the Sector upgraded the e-passport system and finalized cascading of e-Passport issuance to four local stations (Embu, Nakuru, Eldoret and Kisii) and six foreign stations (Washington DC; London, Paris, Berlin, UAE, and Pretoria).

Recruitment and training of over 51,000 security personnel: Recruited, trained and deployed 10,900 police officers and 298 police cadets; recruited 11,918 police reservists in 16 counties; trained and deployed 300 DCI officers in specialized police units to deal with investigations of complex and emerging crimes.

Infrastructure development: Acquired 3,071 housing units for National Police Service and 590 for the Kenya Prisons Service, and provided comprehensive medical insurance cover.

Offender rehabilitation: The Sector offered safe custody to an average of 50,823 inmates in humane and safe custody, 676 borstal /YCTC boys and girls, 14,978 high risk and long term inmates and 35,169 medium risk inmates annually in correctional facilities. A total of 75,779 non-custodial offenders and 38,346 offenders sentenced to perform free community work within the identified community and public projects under the Community Service Orders programme were supervised annually. In addition, 27,180 offenders were offered appropriate treatment and rehabilitation services to facilitate effective resettlement and reintegration within the community.

Prison farm and industry modernization: To enhance Food and Nutrition self-sufficiency and sustainability in prisons: two farm stores at Mwea and Naivasha were constructed to help reduce post-harvest losses; prisons farms were modernized through the acquisition of six tractors and other farm machines, equipment and accessories; one irrigation system was set up at Ruiru; and drilled boreholes at Naivasha, Kaloleni, Kilgoris and Kehancha Prisons.

Voluntary repatriation of refugees: During the review period, a total of 48,018 refugees were voluntarily repatriated.

National, regional and international peace initiative: Kenya engaged in peace initiative in South Sudan, Ethiopia, Somalia and Democratic Republic of Congo. Kenya is a guarantor of the Peace Agreement in South Sudan. Kenya is also a member of the Training Center in Communication countries, of the African Union Mission in Somalia now the African Union Transition Mission in Somalia.

Conflict resolution capacity enhancement programmes: The country engaged in conflict resolution in South Sudan and appointed a Special Envoy to assist with negotiations.

Early warning and conflict prevention: Kenya participated in IGAD's early warning and conflict prevention mechanism.

Establish a Multi-agency forum, track and report its progress on promotion of maritime security: Kenya became the chair of the contact group on Piracy off the Coast of Somalia which was renamed Contact Group on Illicit Maritime Activities-Western Indian Ocean.

Policy, Legal and Institutional Reforms

Policy Reforms

- i) Drafted the National Government Coordination Policy;
- ii) Drafted the National Disaster Management (NDRM) Policy; and
- iii) Drafted National Correctional Policy.

Legal Reforms

- i) Developed the National Disaster Management (NDM) Bill, 2021;
- ii) Reviewed the Kenya Citizenship and Immigration Act 2011;
- iii) Reviewed the Firearms Act (CAP 114); and
- iv) Reviewed the Wildlife Conservation and Management Act, 2013.

Emerging Issues and Challenges

- i) Increased cases of psychosocial challenges amongst security sector personnel;
- ii) Increasing levels of poverty, unemployment and widening inequality making Kenyans especially the youth vulnerable to commit crime;
- iii) Proliferation of illicit arms and light weapons, and influx of refugees and aliens due to cross-border conflicts and regional instabilities;
- iv) Persistent resource-based conflicts leading to both cattle rustling and banditry;
- v) Slow uptake of Alternative Dispute Resolution frameworks within communities;
- vi) Shortage of staff houses for security officers in remote areas;
- vii) Unresolved international land and maritime border conflicts; and
- viii) Sophisticated and dynamic nature of cybercrime, terrorism and poaching.

Lessons Learnt

- i) Specialized training and use of technology by security agencies is key in addressing emerging and changing forms of crime.

Recommendations

- i) Hire more police officers to meet and maintain the recommended UN police to population ratio of 1:450;
- ii) Acquire more vehicles to enhance police mobility and reduce police response time;
- iii) Strengthen the National Crime Research Centre to collect information, learning and support adaptation of the security sector in new or emerging forms of crimes; and
- iv) Automate security services at all the service delivery points.

5.0 ECONOMIC PILLAR

Overview

The Economic Pillar aims to attain and sustain an annual GDP growth rate of 10 per cent envisioned in the Kenya Vision 2030. Under the MTP III of the Vision 2030 the Pillar had eight (8) priority sectors: Agriculture and Livestock; Manufacturing; Tourism; Trade; Business Process Outsourcing; Financial Services; Oil, Gas and Mineral Resources; and the Blue Economy. Two of the Sectors namely the Blue Economy and the Agriculture and livestock sectors are key in the delivery of the Food and Nutrition Security component of the 'Big Four' Agenda.

5.1 Agriculture and Livestock

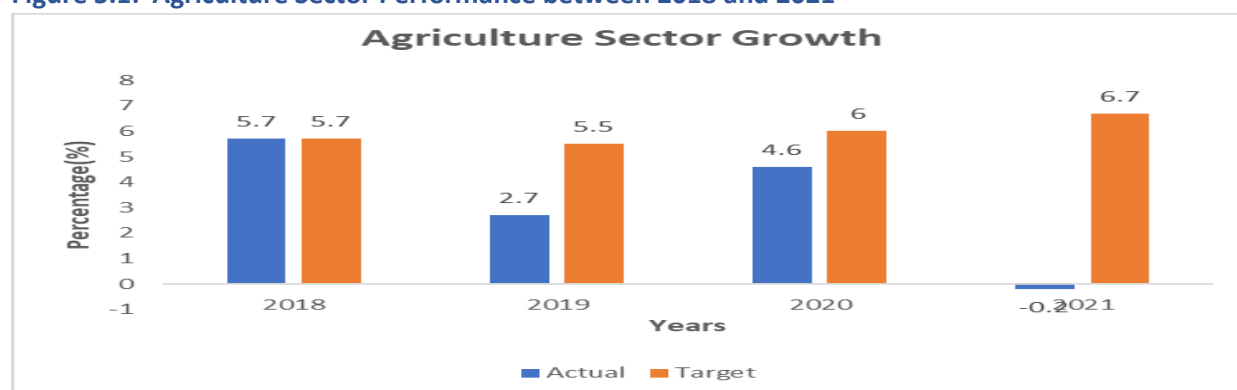
Overview

Agriculture and Livestock Sector is key in driving the economy to the targeted 10 per cent annual economic growth; attaining 100 per cent food and nutrition security; providing raw materials for agro-industries under the 'Big Four' Agenda; and creating employment opportunities for the majority of people. Agriculture remained the dominant sector, accounting for about 22.4 per cent of the overall GDP in 2021.

Overall Performance

The Sector grew by 5.7 per cent and was within target in 2018. This was mainly driven by marked improvement in crops (tea, coffee, sugar cane, and horticulture) and animal production that benefited significantly from the sufficient rains. The sector grew by 2.7 per cent in 2019, 4.6 per cent in 2020 and contracted by 0.2 per cent in 2021 which were all below set targets as indicated in figure 5.1. The lower than targeted growth in 2019 and 2021 was occasioned by insufficient rainfall that led to constrained agricultural production.

Figure 5.1: Agriculture Sector Performance between 2018 and 2021



Source: Economic Survey 2022

During the review period crop production contribution to the GDP was at 14.5 per cent in 2018, 15.1 per cent in 2019, 16.6 per cent in 2020, and 16.3 per cent in 2021 while animal production contributed 3.7 per cent; 3.5 per cent; 3.6 per cent and 3.6 per cent respectively over the same period.

Table 5.1: Agriculture and Livestock Overall Performance for the Period 2018 to 2021

MTP III	Outcome	2018	2019	2020	2021
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Outcome	Indicator	Target	Actual	Target	Actual	Target	Actual	Target	Actual
Crop contribution to GDP	Share of Crops Sub-sector contribution to GDP (per cent)	28	14.5	29	15.1	30	16.6	30	16.3
Reduced post-harvest losses of maize	Per centage change in post-harvest losses of maize (per cent)	20	16	18	16	15	15	15	-
Increased livestock production	Share of Livestock Sub-sector contribution to GDP (per cent)	5.5	3.7	6.5	3.5	7.5	3.6	7.0	3.6
	Amount of Milk produced (Million litres)	5,500	3,749	5,800	4,124	6,000	4,048	6,500	4,641
	Amount of meat produced ('000MT)	650	546.9	750	748.9	915.2	563.6	1,300	527.2
	Amount of honey produced (Million Litres)	26	25.6	30	27.5	34	17.8	37	17.3
	Value of poultry production (KSh in Billions)	6.3	8.991	7	42.5	8	34	9	44.6

Source: KNBS Economic Survey 2022

Flagship Programmes and Projects

The following flagship programmes have been reported under Part II on progress on implementation of Food and Nutrition Security of the Big Four Agenda: Fertilizer Subsidy Programme; Disease Free Zones (DFZ) Establishment; and Agricultural Mechanization. In addition, some components of Livestock Production Programme have been reported under the Big Four Agenda.

Crop Diversification Programme: The Sector supported technology transfer and crop diversification through provision of 412 MT of high yielding maize varieties, 72 MT of rice seed varieties, 4,098,716 assorted seedlings (macadamia, avocado, coconut, cashew nut), 589.5 MT of drought tolerant seeds (Sorghum Cowpeas and Green Grams), 2.1 million planting materials for cassava & sweet potato and 39,348 MT Irish potato seed.

Livestock Production Programme:

- **Enhanced Meat Production:** During the review period, the Sector implemented the following initiatives to increase meat production in the Country:
 - Identified Chemongoch holding ground in Baringo County to house model feedlot; conducted feedlot stakeholder sensitization in 11 counties namely Garissa; Isiolo, Marsabit, Taita Taveta, Kwale, Tana River, Lamu, West Pokot, Turkana, Mandera and Wajir; and identified 22 sites in Arid and Semi-Arid Land (ASALs) counties to host feedlots and fodder development plots;
 - Established poultry multiplication sites at Marimati in Tharaka Nithi County in addition to Kenya Agricultural and Livestock Research Organization (KALRO). Released 8 million indigenous chicks for commercial production by farmers, and supplied 59,490 Day Old Chicks;
 - A total of 112 SMEs and 17 trainer of trainers from 8 implementing counties (Meru, Nyeri, Nakuru, Kajiado, Kiambu, Kakamega, Nyandarua, and Migori) were trained on pig production; and
 - Supported 90,060 tropical livestock units annually covering 18,012 households in 8 ASALs counties namely: Wajir, Mandera, Marsabit, Turkana, Tana River, Isiolo, Garissa and Samburu, under the Kenya Livestock Insurance Program.
- **Enhanced Milk Production:** The following initiatives were undertaken to increase milk production:
 - To enhance accessibility of semen and liquid nitrogen, six (6) distribution points in Eldoret, Nyahururu, Sotik, Kirinyaga, Mariakani and Tharaka Nithi were established;
 - Established a Goat Artificial Insemination Centre in Kirinyaga County. Laboratory and goat structures are at 95 per cent level of completion; and
 - Rolled out Livestock Identification and Traceability in Laikipia County
- **Improved quality and quantity of hides and skins:** Trained 125 stakeholders on quality improvement; established two (2) model centres for hides and skins development at Isinya in Kajiado County and Mogotio in Baringo County; and produced 25 million square feet of hides and skins to facilitate the leather industry.
- **Enhance livestock disease and pest control:** Produced and availed to livestock keepers 161.4 million doses of vaccine; Constructed and equipped Bio-Safety Level 3 Laboratory to 82 per cent completion level; and finalized Livestock Identification and Traceability (LITs) regulations. In addition, tsetse and trypanosomiasis infestation in 21 out of the targeted 28 Counties was suppressed in five (5) tsetse belts namely: Lake Victoria, Lake Bogoria, Western, Meru/Mwea and Coast. Consequently, the tsetse fly densities and the disease prevalence was reduced from a high of 120 Fly Per Trap Per day to 12.69 FTD in the operation area while the African Animal Trypanosomiasis prevalence reduced from a high of 20.5 to 8.9 per cent in the same period.
- **Promotion of livestock and livestock products market access:** Milk processing increased from 652.3 million litres in 2018 to 801.9 million litres in 2021. The improvement was attributed to stable farm gate prices that promoted improved milk intake in formal market and installation of 350 milk bulking and cooling in 36 counties by 2020/2021. Kenya Meat Commission plant was upgraded and its capacity increased to an average of 600 livestock processed per day translating to an average of 90 per cent capacity utilization, while rejected hide and skin reduced by 5 per cent following installation of de-hiding machines. In addition, capacity building for 1,096 smallholder dairy farmers, processors and traders was undertaken through the Small Dairy Commercialization Programme. The outreach benefited 638 (63,609 households) new dairy groups.
- **Sanitary and Phyto-sanitary standards Improvement:** National Dairy Laboratory Complex was established at Kabete.

Market Access and Product Development Programme: Kenya Agricultural Market Information System (KAMIS) was developed to integrate and disseminate the sector's market information. The system is operational in all counties and 235 markets have been integrated to collect and disseminate market information on a real time basis.

Youth and Women Empowerment in Modern Agriculture Programme: A total of 954 youth were trained in 2018 in collaboration with NYS slum upgrading program in Mathare, Kiandutu, Kibra and Korogocho. An additional 300 and 1,194 youth were trained in 2020 and 2021 respectively on enterprise development. The Sector spearheaded the rebranding of 4K clubs in schools to address the challenges identified under the Youth in Agribusiness Strategy. Under ENABLE Youth Program, rehabilitation and equipping of four Youth Agribusiness Incubation Centres (YABICs) was undertaken.

Agriculture Insurance Programme: 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 during the period under review. The crops insured included maize, green grams and Irish potatoes.

Research and Capacity Building Programme: Developed 32 online mobile and web based applications technologies, innovations and management practices which are available on KALRO webpage (www.kalro.org//mobile-applications) as well as on android mobile phones play store for ease of dissemination.

Other Programmes and Projects

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 against the target of 40,000 acres. This achievement is an aggregate of 17,618 acres under public irrigation projects namely Mwea, Galana, Bura, Lower Nzoia, Turkana, Lower Kuja and Lower Sabor Irrigation Schemes and 28,998 acres under smallholder irrigation interventions which include National Expanded Irrigation Program, community-based irrigation projects and household irrigation water harvesting projects.

Through the Mechanization for Agricultural Development Project, the Agricultural Development Corporation (ADC) opened up 4,072 new acres for cultivation and produced 2,561 MT of certified Irish potato seeds. In livestock sub sector, 5,136 acres of pasture were established through Regional Pastoral Livelihood Resilience Project intervention.

Climate Smart Agriculture Project: A Climate Smart Database was developed for mapping of interventions for sustainable agriculture. In addition, Climate Smart Agriculture Monitoring and Evaluation Framework was developed, and the Kenya Climate Smart Agriculture Strategy and Implementation Framework were disseminated to stakeholders in 20 Counties.

Miraa Farmers Livelihood Improvement Programme: Seven water pans, 12 bore holes and nine marketing sheds were constructed to increase miraa production and marketing in Meru, Tharaka Nithi and Embu Counties.

Pastoral Resilience Building Programme: Completed 57 water infrastructure (17 boreholes, 26 water pans, two rock catchments, six sand dams and six shallow wells) benefiting 84,914 pastoral and agro-pastoral households; developed 20 livestock markets infrastructure and 4 grain warehouses; and

rehabilitated 12 hay shed Irrigation infrastructure at Kalacha-80Ha, Kiboi-180Ha and Simailele- 180 Ha and 60 Ha in Kilimani Game Galana Scheme in Isiolo. Further a total of 2,875,074 livestock were supported through provision of water, feeds and vaccination.

Policy, Legal and Institutional Reforms

- i) Developed Agriculture Sector Transformation and Growth Strategy (ASTGS) 2019-2029;
- ii) Developed Sugar Industry Policy; and
- iii) Operationalized the Veterinary Medicines Directorate.

Emerging Issues and Challenges

- i) Uncontrolled subdivision of land and urban sprawl into prime agricultural areas;
- ii) Climate change with extreme and unpredictable weather patterns such as frequent and prolonged droughts, frost, floods;
- iii) High cost of input for agricultural production, and inadequate quantities of quality seed & planting materials;
- iv) Weak corporate governance in cooperatives enterprises; and
- v) Low adoption of technology in provision of extension services.

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; and
- iii) Enhance use of ICT in delivery of services such as e-extension, e-subsidies, digital food balance sheets, and early warning systems.

5.2 Manufacturing

Overview

The Manufacturing Sector is one of the key drivers of economic growth, employment creation and sustainable development towards realization of the aspirations of Vision 2030. It has a high potential for investment attraction, job creation, export expansion, stimulus for agricultural sector growth and provision of forward and backward linkages in all other sectors of the economy. In addition, it plays a strategic role in technology and innovation by providing a platform for diffusion of new technologies to other sectors.

Overall Sector Performance

The Sector contribution to GDP declined from 8.4 per cent in 2018 to 7.9 per cent in 2019, 7.6 per cent in 2020 and further to 7.2 per cent in 2021. The real value added in the manufacturing sector grew by 6.9 per cent in 2021 compared to a growth of negative 0.4 per cent recorded in 2020.

The formal manufacturing employment increased from 347,600 in 2018 to 353,300 in 2019 before declining to 316,800 and 336,800 persons in 2020 and 2021 respectively. The total exports by EPZ enterprises stood at Kshs.91.3 billion in 2021 from Kshs.77.2 billion in 2018 whereas the capital investment on equipment, machinery and zone infrastructure at the EPZs increased from Kshs.96.3 billion in 2018 to Kshs.117.5 billion in 2021 as illustrated in table 5.2.

Table 5.2: Manufacturing Overall Performance for the Period 2018 to 2021

MTP III Outcome	Outcome Indicator	2018		2019		2020		2021	
		Target	Actual	Target	Actual	Target	Actual	Target	Actual
Increased contribution of the manufacturing sector to GDP	Share of the manufacturing sector to GDP (per cent)	9.8	8.4	10.5	7.9	12.6	7.6	13.8	7.2
Increased growth in the manufacturing sector	Per centage growth in the manufacturing sector (per cent)	5	3.6	6.5	2.6	7.5	(0.4)	8.7	6.9
Increased job creation in the manufacturing sector	Number of jobs created in the manufacturing sector(000's)	403	347.6	510	353.1	610	316.8	710	336.8
Special Economic Zones developed	Gazetted Public SEZs	1	1	1	1	1	1	0	0
	Gazetted Private SEZs	1	2	1	4	1	5	1	1
Increased investments in EPZs	Value of Exports from the EPZs (Kshs. Billions)	75	72.3	78	68.5	80	73.8	91.4	91.3
	No. of new zones gazette	3	1	5	2	5	2	5	2

Flagship Programmes and Projects

The Agro-food Processing; Manufacture of Industrial and Agro-processing Machinery, Equipment, Parts and Tools; Automotive Parts, Motorcycles, Components and Auto-parts; Research, Technology and Innovation flagship programmes; and some components of Industrial Clusters flagship Programme have been reported under Part II on progress on implementation of “Big Four” Agenda under increasing the manufacturing share of GDP to 15 per cent and agro-processing to at least 50 per cent of total agricultural output.

Industrial Clusters Programme:

- **Textile and Apparel:** The country adopted BT (genetically modified) cotton which increased cotton production from the previous yield of 200Kgs per acre to 1200Kgs per acre. Cotton lint sourced from the local Kenyan market increased from 5,500 tonnes to 20,000 tonnes thus reducing importation.
- **Manufacture of Leather and Leather Products:** The Kenanie Leather Park Common Effluent Treatment Plant was at 65 per cent completion level in 2021. In addition, the Kariokor Common Manufacturing facility was developed and equipped and capacity building was undertaken for 2,560 leather entrepreneurs in footwear and leather goods production.

Special Economic Zones: During the period under review, 1,000 acres of land was acquired for Naivasha Industrial Park. Infrastructural development at the Naivasha SEZ and Dongo Kundu SEZ Phase 1 was at 5.6 per cent and 7.2 per cent completion level respectively. Pre-feasibility studies had been done for Kisumu and Lamu SEZs.

Industrial and SMEs Parks Programme: Feasibility studies for Miritini Industrial Park, Kilifi Eco-Industrial Park and Vipingo Medical and Pharmaceutical Park were undertaken with support from Trade Mark East Africa. Other parks evaluated for tax exemption to facilitate Industrial development included: Infinity Industrial Park in Nairobi County, Tilisi Industrial Park in Kiambu County, and Nairobi Gate Industrial Park in Nairobi County.

MSMEs Development Programme: Industrial Credit disbursed to Micro and Small enterprises through Kenya Industrial Estates (KIE) stood at Kshs. 2.611 billion whereas Kshs. 2.873 billion was disbursed to medium firms through Kenya Development Corporation. Under KIE 78,811 jobs were created, 143,247 entrepreneurs were trained and 9,730 MSMEs were linked to the markets, technology, suppliers and large corporations.

KIRDI and KIE provided incubation and common user facilities to 1,292 MSMEs, Kenya Bureau of Standards (KEBS) increased the number of MSEs valid permits for products certified from 2,496 to 3,400, Kenya Industrial Property Institute (KIPI) registered 30 Intellectual Property rights and sensitized 940 SMEs. A total of 160 Constituency Industrial Development Centres were refurbished, and 12,909 and 27,253 youths were advanced with financial grants and business development services respectively. Four Biashara Centers were operationalized and offered services to enterprises as follows: Kisumu (178), Mombasa (68), Eldoret (128) and Kariobangi (372).

Accreditation and standards infrastructure programme: The Sector developed a total of 222 new standards for MSMEs during the period. A Medical Equipment Calibration Laboratory was established at KEBS. A total of 11,364 permits were issued for products under SMEs, and 34,403 Permits issued for Products Certified under Large Firms. A total of 166 new Conformity Assessment Boards (CABs) were accredited within and outside the EAC region, and delivered 82 accreditation training programs to CABs.

Other Programmes and Projects

Skills development and Transformation of KITI to be a Center of Excellence: A total of 13,522 students were enrolled for various programs on industrial skills and entrepreneurship. Construction and upgrading of Kenya Industrial Training Institute (KITI) infrastructure was at 21.8 per cent completion level.

Policy, Legal and Institutional Reforms

- i) Developed Kenya Investment Policy 2019;
- ii) Developed Micro and Small Enterprises Policy 2020; and
- iii) Developed the Kenya Accreditation Service Act 2019.

Emerging Issues and Challenges

- i) Low awareness on industrial property rights and weak protection of indigenous knowledge;
- ii) Inadequate skills coupled with mismatch between available technical skills and market demand in the Manufacturing sector;
- iii) Proliferation of counterfeit, dumping and substandard goods necessitated by illicit trade leading to reduced demand for locally manufactured goods; and
- iv) High cost of production of locally manufactured goods.

Lessons Learnt

- i) Strengthening and promotion of Micro, Small and Medium enterprises through investment in physical facilities and access to affordable long-term financing and credit facilities are key for their development.

Recommendations

- i) Promote Buy Kenya Build Kenya (BKBK) to support local Micro, Small and Medium Enterprises and local companies/manufacturers;
- ii) Creation of awareness on requirements, process and benefits of intellectual property protection;
- iii) Promote value addition by SMEs in order to broaden and increase export base;
- iv) Embrace green manufacturing and circular economy; and
- v) Enhance access to affordable financing and credit facilities for micro, small and medium industries.

5.3 Tourism

Overview

Tourism Sector is a priority sector with high potential of spurring double-digit economic growth and development. The Sector contributes to the foreign exchange earnings is estimated to account for about 10 per cent of the Country's GDP and 9 per cent of the total employment. The overall aim of the sector is to position Kenya among the top ten long haul and leading regional tourist's destination offering a high end, diverse and distinctive visitor experience.

Overall Sector Performance

Tourism earnings increased from Kshs.157.4 billion in 2018 to Kshs.163.6 billion in 2019 but registered a drop of 44 per cent to Kshs.91.7 billion in 2020. In 2021, tourism earnings recorded a 60 per cent increase to KSh.146.5 billion. International tourist arrivals increased by 0.4 per cent from 2.03 million in 2018 to 2.04 million in 2019 and dropped significantly by 71.5 per cent to 580,000 arrivals in 2020 before registering a growth of 50 per cent, in 2021 to 870, 000 arrivals. The hotel bed nights by Kenyans dropped by 11.2 per cent from 4.56 million in 2018 to 4.05 million in 2019 and further dropped to 2.57 million in 2020 before recovering by 49 per cent to 3.83 million in 2021 as shown in Table 5.3. The decline in tourism earnings, international arrivals and bed-nights by Kenyans in 2020 was due to adverse effect of COVID-19 pandemic and the subsequent containment measures. The improved performance in 2021 was due to easing of COVID-19 containment measures and the Kenya Tourism Board integrated marketing campaigns to promote Kenya as a tourist destination.

Table 5.3: Tourism Overall Performance for the Period 2018 to 2021

MTP III Outcome	Outcome Indicator	2018		2019		2020		2021	
		Target	Actual	Target	Actual	Target	Actual	Target	Actual
Increased Tourism earnings	Tourism Earnings (KSh Billions)	650	157.4	750	163.6	915.2	91.7	1300	146.5
Increased Tourist arrivals	Tourist Arrivals (Millions)	1.7	2.03	1.97	2.04	2.1	0.58	2.3	0.87
Increased Bed nights by Kenyans	Bed-Nights by Kenyans (Millions)	4.5	4.56	5	4.05	5.5	2.57	6.0	3.83

Source: Economic Survey 2021, 2022, Tourism Research Institute (TRI)

Flagship Programmes and Projects

Coastal Beach Tourism: Mombasa Water Front Development (Mama Ngina Drive and Jomo Kenyatta Public Beach):

- **Mama Ngina Drive:** The development of Mama Ngina Waterfront involving re-designing the Mama Ngina Drive to an iconic international standard sea front was completed and operationalized.
- **Renovation of the Little Theater:** Renovation was undertaken and completed with the theater providing diversity to the experiences offered in Mombasa as well as fostering integration of heritage and culture.
- **Cruise Ship Programme:** Cruise ship terminal was constructed at Mombasa by Kenya Ports Authority.

Wildlife (Safari Product)

- **Elevating Amboseli National Park Status to “Must See” Park:** Development and gazettment of Amboseli National Park Management Plan was completed. Infrastructural development was undertaken through maintenance of 226 km road network, rehabilitation of 28km access road (Kimana- Meshanani- Namanga), maintenance of 1.2 km airstrip, and refurbishment of all bandas and observation points. Tembo naming concept was developed and festival launched in October 2021.
- **Development and transformation of KWS parks into a signature Africa safari product:** The sector continued to transform Kenya wildlife Service parks into Signature Africa Safari products. The following initiatives were undertaken under this programme:
 - A total of 80.2 Km of fences were rehabilitated and 137 Km constructed at Nairobi Park, Lake Nakuru, Tsavo East, Meru national park, Mt Kenya and Kisite Mpunguti. The roads maintained include 108 Km in Nairobi National Park, 1,347 Km in Tsavo East, 580 Km in Meru National Park, 118 Km in Mt Kenya, 234 Km in Lake Nakuru Park and 15 Km in Kisite Mpunguti at the Coast.
 - Nairobi National Park Management Plan was reviewed, and Transformation Master Plan was gazetted in January 2021. Identification and mapping of the corridor connecting the Nairobi National Park and the Machakos ranches; and aerial survey to provide wildlife, livestock and human activity data for the ecosystem were undertaken.
 - Boat safaris were launched, guest houses refurbished at Naishi and Lion hill, and observation points were improved in Lake Nakuru. Other banda refurbishment took place in Kisite Mpunguti – Shimini Bandas, and Tsavo East – Ndololo campsite. Airstrips were also maintained in Lake Nakuru, Tsavo East and Meru. Content creation for the 10 priority parks was undertaken and the Zuru campaign targeting the domestic market was launched.
 - KWS also partnered with various entities such as Kenya Tourism Board to develop content for North Rift Circuit; Canon and Influencers to collect content for Meru National Park and Tsavo West/East National Parks, and Africa118 is listing all the lesser known KWS Parks and Reserves in the Google My Business. Other partners included Jambojet, Kenya Tour Driver Guide Association, Kenya Association of Tour Operators and Kenya Professional Safari Guide Association in show casing destination, training and familiarization trips.
 - In other parks, Kilaguni Airstrip in Tsavo West was upgraded to bitumen standards, Bandas rehabilitated in Lake Elementaita, and Shimba Hills (Sable bandas) and infrastructure upgraded in Marsabit involving roads, fences, tourism facilities (Marsabit Guest House, Paradise Campsite Museum and Education Center); and roan antelope sanctuary in Ruma Park established.

Niche Products Development and Diversification

- **Business Tourism Initiative:** Under this project, the Kenya National Convention Bureau was established to sustainably promote Kenya as a leading Meetings, Incentives, Conferences and Exhibitions (MICE) destination. The sector also developed Kenya's National MICE Strategy 2030 and launched the destination MICE Brand. Further, modernization and expansion of Kenyatta International Convention Centre (KICC) continued with rehabilitation of Tsavo Ballroom (Interior & Roof) and Phase I of installation of 800 Solar panels, and rehabilitation of KICC Amphitheater was ongoing.

The number of international conferences held increased by 6.9 per cent from 204 in 2018 to 218 in 2019 while the local conferences held increased by 14.4 per cent to 4,743 in 2019. The number of international delegates increased by 6.3 per cent to 72,011 during the same period. However, in 2020, the number of international conferences and local conferences held declined by 87.2 per cent to 28 and 75.2 per cent to 1,176 respectively.

- **Cultural and Heritage Tourism:** During the period under review, two new cultural dances were researched and choreographed (from the Makonde and the Abasuba ethnic communities); 23 traditional villages rehabilitated and maintained; two traditional meal recipes were researched on and developed; and a total of 184,004 visitors hosted at Bomas of Kenya for consumption of various cultural products.

On heritage tourism, the Sector partnered with Google to launch a digitized site "Google arts and culture – Utamaduni Wetu" which is a digital exhibition that celebrates Kenya's history and culture by honoring heroes and heroines from all Kenyan communities. A total of 11 out of the 34 museums and sites in Kenya have been digitized. Additionally, the 101 Best Monuments Program is ongoing where two monuments per county are selected based on public perception ratings for marketing promotion as tourism niche products alongside seven UNESCO World Heritage Sites.

- **Event Strategy:** Under this project, a single calendar of events was developed and approved in December 2020. The Events Strategy calendar budget was also made available for digital advertising. The World Rally Championship was reinstated into the calendar and the Country hosted the Federation Internationale de l'Automobile World Rally Championship.

Resort Cities

- **Lamu, Turkana and Isiolo Resort Cities:** During the period under review, the sites for Lamu, Turkana and Isiolo Resort Cities were identified and a Notice for Intention to Acquire Land was gazetted in 2019 through the National Lands Commission and LAPSET. Pre-feasibility and feasibility studies were on going.

Tourism Promotion and Marketing:

- **Destination Marketing**
 - **Delivering exceptional Tourist experience:** In the review period 44 qualified unique experiences were enlisted in Magical Kenya Signature Collection.
 - **Tourism Industry Engagement:** Kenya and the Kingdom of Saudi Arabia co-hosted the Tourism Recovery Summit in Nairobi, in 2021. It focused on rebuilding the African tourism sector that was

negatively impacted by the Covid-19 pandemic as well as providing the opportunity for stronger partnerships between African countries and the Kingdom of Saudi Arabia to mitigate those effects.

- **Improve the performance of the Tourism Industry Marketing:** Internationally, Kenya continues to gain recognition as a tourism destination. Kenya was awarded the World Travel and Tourism Council Safe Travel Stamp on 1st July, 2020 amongst the 80 global destinations certified and authorized to use the “World Travel and Tourism Council Safe Travel Stamp” together with the Magical Kenya Logo. The stamp allows travellers to recognize Kenya as a safe destination. Kenya’s tourism industry also bagged 13 awards in different categories at the World Travel Awards, Africa and Indian Ocean 2021 at the 28th Annual World Travel Awards while the Kenya Tourism Board was voted ‘Africa’s Leading Tourist Board’. In other categories, Kenya enjoyed a strong showing, with Nairobi being named as ‘Africa’s Leading Business Travel Destination’ with Kenyatta International Convention Centre collecting ‘Africa’s Leading Meetings & Conference Centre’ award.
- **Domestic Tourism:** Domestic tourism was supported by the ‘Inanitosha Campaign’ and ‘Tembea Kenya’ promotion campaigns, familiarization trips, and the Magical Kenya Travel Expo (MKTE) among other campaigns. The sector conducted routine quality audits on regulated tourism enterprises; and reviewed and validated five minimum standards by incorporating health, safety and hygiene aspects. The five standards are: Hotel Safety and Security Standards; Conference and Conventions; Extreme and Adventure Sports; Food Safety and Hygiene and Halal Compliance Standards.

Enhancing the Quality of Tourism Training:

- **Tourism Service excellence:** Developed 16 minimum standards for regulated tourism enterprises as listed in the 9th Schedule of the Tourism Act, 2011; and reviewed eight EAC Classification criteria and incorporated health, safety and hygiene aspects.
- **Kenya Utalii College (KUC):** The number of graduates who pursued various courses at KUC increased by 9.8 per cent from 2,465 in 2018 to 2,706 in 2020. To improve institutional capacity, construction of the Practical Training Laboratory was at 85 per cent completion level.
- **Completion of Ronald Ngala Utalii College:** To expand Tourism Training capacity, the Sector undertook construction of Ronald Ngala Utalii College in Kilifi County. The Institution, which will have a capacity of 1,000 students was at 73 per cent completion level.

Tourism Financing: Tourism Promotion Fund (TPF) was established through Legal Notice No 24, of 2019 under the Public Finance Management (Tourism Promotion Fund) Regulations, 2019. In addition, the legal framework for the Wildlife Conservation Trust Fund (WCTF) was established.

Tourism Infrastructure and Enabling service: The Meru National Park Access Road was completed and handed over to Kenya Rural Roads Authority. Kenya Wildlife Service maintained 2,500Km and rehabilitated 1,070Km of roads in wildlife protected areas and constructed and rehabilitated eco-lodges, cottages and campsites to promote eco-tourism. In addition, feasibility study for the Nairobi International Convention and Exhibition Centre (NAICEC) was undertaken.

Tourism Research & Enabling services

- **Tourism Research:** The Tourism Research Institute and Wildlife Research and Training Institute were operationalized in 2019 and 2020 respectively. Draft Remodeling Tourism in Kenya Strategy; and National Wildlife Conservation and Management Strategy 2030 were developed.

- **Crisis Management:** In cognizance of the need to manage crisis in the tourism industry, the National Tourism Crisis Steering Committee was gazetted in 2020 to collaborate with the Global Tourism Resilience and Crisis Management satellite Centre responsible for Eastern African Region based at Kenyatta University.

Other Programmes and Projects

National Tourism Data and Information Project: The first Kenya Tourism Satellite Account 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.

Policy, Legal and Institutional Reforms

- Reviewed the National Tourism Policy; and
- Operationalized National Convention Bureau, Tourism Research Institute, Baraza Kenya (merge of KICC, Bomas of Kenya and Mama Ngina waterfront) and Beach Management Board.

Emerging Issues and Challenges

Emerging Issues

- Multi-generational travel and market segmentation have changed across generations ranging from millennials to baby boomers.

Challenges

- Delay in adoption of EAC Hotel classification has affected the quality and standards of hotel establishments;
- Over-reliance on nature-based products i.e. Wildlife and Beaches, offers a narrow product range exposing Kenya to stiff competition;
- Climate change led to loss of biodiversity, vanishing glaciers in Mt. Kenya and Kilimanjaro, rising sea levels among others affecting the overall attractiveness of the destination sites;
- Inadequate physical Infrastructure (roads, airports, airstrips, water and waste management system and fence) in parks and reserves;
- Human-Wildlife Conflict; and
- Difficulty in regulating Airbnb due to the nature of their operations where they attract the clientele through online marketplaces leading to loss of revenue.

Recommendations

- Create incentives to attract more investment in the Tourism Sector;
- Develop and apply more stringent standards for property development within National parks and reserves;
- Ratify and apply new seasonal pricing policy for over-subscribed parks and reserves
- Need to explore new source markets for tourists; and
- Diversify tourism products to attract multi-generational travelers and tourists.

5.4 Trade

Overview

Trade Sector aspires to provide modern market infrastructure, effective information sharing and supply chain systems to support production and consumption in the country. In essence the Sector stimulates economic growth through domestic and international trade; employment and wealth creation; driving

productivity and poverty reduction. The initiatives implemented within the Plan period aimed at addressing challenges such as fragmented supply chain, inadequate market infrastructure, low value addition and narrow export base.

Overall Sector Performance

The share of Trade contribution to GDP declined from 8.2 per cent in 2018 to 7.9 per cent in 2021, this was attributed to reduced movement of goods and services within the region due to the COVID-19 pandemic. However, the total value of exports increased from Kshs.614.32 billion in 2018 to Kshs.743.67 billion in 2021. This was attributed to an increase in the value of domestic exports of tea, horticulture, coffee, titanium ores and concentrates, and increased market access within Africa following the signing of the African Continental Free Trade Area (AfCFTA). Total Value of exports to the EAC increased from Kshs.130.0 billion in 2018 to Kshs.192.42 billion in 2021, this was attributed to increased flow of trade within the region due to removal of several non-tariff barriers (NTBs), increased value addition to Kenyan products and the establishment of Export Credit Guarantees. The value of wholesale and retail trade grew from Kshs.694.22 billion in 2018 to Kshs.784.74 billion in 2021 mainly attributed to improved business environment.

Table 5.4: Trade Overall Performance for the Period 2018 to 2021

MTP III Outcome	Outcome Indicator	2018		2019		2020		2021	
		Target	Actual	Target	Actual	Target	Actual	Target	Actual
Increased contribution of retail and wholesale trade to GDP	Share of trade contribution to GDP (per cent)	7.8	8.2	8.4	8.2	8.9	8.1	9.6	7.9
Increased Kenyan Exports	Total value of Exports (B/KSh)	742.6	614.32	928.25	596.68	1,160.3	643.71	1,450.43	743.67
	Total Value of exports to the EAC	164.5	130	205.6	140.45	257	158.34	321.3	192.42
Increased Domestic Trade	Value of wholesale and retail trade (B/KSh)	540	694.22	565	740	588	727	615	784.74
Jobs created in wholesale and retail trade	No. of jobs created ('000) (Disaggregated by sex)	1,098	260.4 201.2(M) 59.2(F)	1,148	269.2 183.1(M) 86.1(F)	1,182	251.9 174.7(M) 77.2(F)	1,217	258.5 183.2(M) 75.3(F)

Source: Economic Survey Report 2022

Flagship Programmes and Projects

National Commodities Exchange: The Kenya National Multi Commodities Exchange (KOMEX) was at 90 per cent completion. Achievements included the 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 and organization and management structure developed, and the process of capitalization was initiated.

Export Credit Guarantee Scheme: Establishment of the Export Credit Guarantee Scheme was at 5 per cent completion level against a target of 10 per cent in the review period. The Scheme seeks to unlock the credit potential in the Export Sector by creating a facility to provide guarantees to exporters and importers of Kenyan goods and services.

Other Programmes and Projects

Domestic Trade Development and Promotion: A total of eight Cross-border Trade Associations were revived and eight Trade Information Desks set up. The Government through the Micro and Small Enterprises Authority (MSEA) spent Kshs.1.3 billion to provide infrastructure support to Micro and Small Enterprises. In order to operationalize Trade Remedies Agency, a strategic plan and Kenya Trade Remedies Agency operational manuals were developed.

Export Trade Development and Promotion

- **Strengthen and Expand Commercial Representation abroad:** During the period, eight commercial offices were opened in South Africa, Democratic Republic of Congo, India, Germany, China, Britain, Tanzania and United Arab Emirates.
- **Establishment of Secretariat for the National Trade Facilitation Committee (NTFC):** The NTFC was Gazetted and operationalized while the National Trade Negotiation Council was gazetted and its operationalization was ongoing.
- **Revival and Strengthening National Non-Tariff Barriers (NTBs)/Measures Monitoring Committee:** Kenya held a bilateral meeting with Uganda and Tanzania in 2020 to resolve NTBs. A total of 19 NTBs /Measures reported and resolved as at 2021.
- **Maintenance of Strong Strategic Partnerships:** Kenya has maintained strong partnerships by negotiating Trade agreements with Regional economic communities (RECs) including EAC, Common Markets for Eastern and Southern Africa; and Southern African Development Community. Kenya is also a signatory to AfCFTA.
- **Development and implementation of National Export Strategy:** The National Export Strategy was developed and published. A Secretariat for National Committee on WTO Agreement on Trade Facilitation was also established.
- **Opening of Commercial Centres in London, New York and Dubai:** Commercial attachees were appointed and deployed to London, New York and Dubai.
- **Expand Kenyan Share of the US\$84 Billion US Textile Market:** A National Trade Negotiations Council was established. The Council was operationalized to enable the Country to develop a structured institutional framework for trade negotiation.
- **Registration of Iconic Geographic Indications for prime Kenyan products:** In 2018/2019, a total 530 companies adopted the Kenya mark of identity out of a target of 550 while in 2020/2021, a total of 185 companies applied for Kenya mark of identity out of which 39 companies were approved.
- **Establishment of warehouses and distribution centres in DR Congo:** Two warehouses were established in Kinshasa and Lubumbashi.

Entrepreneurship and Business Development Services

- **Business Management Consultancy Services for SMEs:** Six business management consultancy services were undertaken.
- **Establishment of EMPRETEC Centre for promotion of entrepreneurship and MSMEs:** Training infrastructure was established; training needs assessment conducted; recruitment of beneficiaries

from the private sector was initiated; and training of programme trainers was done. A total of 1,582 MSMEs were facilitated to access markets.

- **MSME Tool Room:** The process to develop the National MSMEs Baseline Survey tool was 30 per cent complete. The program will also comprise light equipment installation for empowering entrepreneurs with practical and technical skills on value addition.

Fair Trade and Consumer Protection

- **Development of Anti-Counterfeit Agency Quick Response solution:** The Anti-Counterfeit Authority with the support from TMEA initiated the process of developing an Intelligent Quick Response Code System to support detection of counterfeits in the Country. The draft amendment bills were finalized to facilitate the integrated product marking and authentication system. In addition, Baseline survey to establish the magnitude of counterfeiting was undertaken.

National Branding Programme

- **Public Service Branding Programme:** Two MDAs (Ministry of Health and NACADA) adopted the branding guidelines. A total of 22 public services branding manuals were developed and submitted to various Ministries and Agencies for implementation.

Policies, Legal and Institutional Reforms

- i) Developed National Trade policy;
- ii) Developed the Integrated National Export Development and Promotion Strategy (2018-2023); and
- iii) Capital Market Commodities Exchange Regulations 2020 were finalized & gazetted.

Emerging Issues and Challenges

- i) Kenya's manufactured products faced stiff competition in the local, regional and global market due to high prices arising from high cost of production and transaction cost;
- ii) Low levels of technology adoption;
- iii) Limited access and information on markets; and
- iv) The influx of substandard, counterfeit and contra-band products into the local market.

Lessons Learnt

- i) Compliance with international and national standards is critical in promoting fair competition in the domestic market and improving competitiveness in the global market; and
- ii) Elimination of tariff barriers coupled with trade missions and exhibitions have greatly improved marketability of Kenyan products especially in the regional frontier.

Recommendation

- i) Establish platforms and initiatives that increase access to market information by the MSEs including digital platforms;
- ii) Develop measures to lower costs of production by MSMEs to ensure locally manufactured products are competitive in international markets; and
- iii) Enhance enforcement of anti-counterfeit laws.

5.5 Business Process Outsourcing (BPO)

Overview

Business Process Outsourcing (BPO) was identified as a priority sector under the Economic Pillar to create over 200,000 jobs and contribute towards the envisioned 10 per cent GDP growth. BPO remains

an important part of day-to-day business operations in industries such as healthcare, retail and e-commerce, banking, asset management, supply chain management, and business services. During the MTP III period, the Government sought to increase access to online jobs in BPO and IT-Enabled Services (ITES), and improve on e-government services industries.

Overall Sector Performance

In order to increase access to online jobs in BPO/ ITES Industries, the number of BPO dedicated seats increased from 15,000 in 2018/2019 to 20,000 in 2020/2021 while the number of youths trained and connected to online jobs increased from 110,000 to 1,450,000 over the similar period. The number of incubation centres established and utilized increased from 115 in 2018/2019 to 221 in 2020/2021. In order to improve e-Government Services, the number of applications (E-Systems) used in Government Agencies increased from 15 in 2018/19 to 40 in 2020/21 as shown in Table 5.5.

Table 5.5: BPO-ITES Overall Performance for the Period 2018/2019 to 2020/2021

MTP III Outcome	Outcome Indicator	2018/2019		2019/2020		2020/2021	
		Target	Actual	Target	Actual	Target	Actual
Increased Access to online jobs in BPO/ ITES Industries	Number of BPO dedicated seats	16,000	15,000	17,000	-	18,000	20,000
	Cumulative number of youths trained and connected to online jobs(Millions)	0.5	0.11	1.0	1.3	1.5	1.45
	Number of incubation centres established and utilized	105	115	210	189	410	221
Improved e-Government Services	Number of applications (E-Systems) used in Government Agencies	12	15	14	0	16	40

Source: State Department for Broadcasting and Telecommunications

Flagship Programmes and Projects

Establishment of Konza Technopolis: During the review period, Construction of Konza Complex Phase IA was completed and occupied; Konza horizontal infrastructure (Roads, Parks, Public Facilities, and Streetscapes) was at 70 per cent completion level; Waste reclamation facility was at 50 per cent completion level; Konza Primary Data Centre was completed and operationalized while Secondary Data Centre Civil Works for the Building was completed and equipped at 70 per cent completion level; and Data Centre broadband connectivity was completed.

Digital Literacy Program (DLP): A total of 21,638 public primary schools were installed with ICT digital devices under DLP Phase I, and 1,169,000 digital devices for both regular and Special Needs Education were installed. Two local device assembly plants were established at Jomo Kenyatta University of Agriculture and Technology (JKUAT) and Moi University, with production capacities of 1,200 Logical Device Drivers (LDDs) per day and 600 LDDs per shift, respectively. Further, 93,009 teachers were trained on ICT and device utilization.

Presidential Digital Talent Programme: A total of 1,600 Graduates benefitted from the programme between 2018 and 2021.

Other Programmes and Projects

Ajira Digital Programme: A total of 189 Constituency Innovation Hubs were established during the review period. The number of young people employed in digital and digitally enabled jobs grew from 1,227,850 in 2018/2019 to 1,942,609 in 2020/2021. The Ajira Digital Program engaged 878 youths in Judiciary transcription, scanning, and data entry jobs. In 200 constituencies, 339 Ajira Youth Empowerment Centers were established and operationalized. Ajira digital curriculum was reviewed and Ajira Digital Trainer Manual was developed.

Establishment of Studio Mashinani: During the period under review, four Studio Mashinani were established in Gatanga, Kitui, Eldoret, and Kisii towns. A total of 145 productions were made in the Studios.

Promotion of Film Industry: Two Regional Film Incubation Centers were established in Migori and Bomet. The Nairobi Cinema Theatre was refurbished and equipment acquired while the Kenya Film school was established at Moi International Sports Centre.

Public Information Management: Licensed TV stations rose from 69 in 2018/2019 to 148 in 2020/21 while the licensed Radio stations rose from 169 to 186 over the same period. The sector published four Yearbooks, four special yearbook publications; weekly MyGov Magazine, monthly editions of Mawasiliano Bulletin, and regional publications covering government policies, programmes, projects, socio-economic and environmental issues.

On media regulation services, the sector resolved 65 per cent of all media complaints reported, trained 5,530 practicing journalists on thematic areas, developed 20 Media Standards, and accredited 17,672 journalists during the period under review.

Establishment and rolling out of an e-commerce Hub: Postal Corporation of Kenya installed the Global Monitoring System to improve international mail delivery standards, and developed a mobile delivery application for the last-mile delivery of parcels. In addition, development of an e-commerce policy was ongoing.

Regional Integration of the BPO/ITES Ecosystem: The sector connected all the EAC border points to a single digital market, developed a framework for interoperability financial systems, and implemented One Network Area with Rwanda, Uganda, and Southern Sudan thus reducing the cost of roaming charges within the region.

Policy, Legal and Institutional Reforms

- i) Drafted National Spectrum Policy, National Film Policy, National Addressing System Policy, and Public Relations and Communication Management Policy;
- ii) Finalized Computer Misuse and Cyber Crimes Act, 2018;
- iii) Drafted National Film Policy Bill, National Spectrum Bill, Public Relations and Communication Management Bill and National Addressing System Bill; and
- iv) Drafted transformation strategies to revitalize the operations of Kenya Broadcasting Corporation (KBC) and Postal Corporation of Kenya (PCK).

Emerging Issues and Challenges

- i) Rapid technological change and huge capital requirement for infrastructure development;

- ii) Low awareness on BPO and uptake of ICT;
- iii) Ineffective Broadcast monitoring system; and
- iv) Weak structures to regulate Over-the-Top (OTT) Services.

Recommendations

- i) Develop incentive packages to attract investments in the BPO/ITES including digital Economy; and
- ii) Enhance awareness on BPO/ITES.

5.6 Financial Services

Overview

The Financial Sector is made up of five sub-sectors namely; banking, capital markets, insurance, pensions, and savings and credit cooperative societies (Saccos). Its goal under the Vision 2030 is to create a vibrant and globally competitive sector that will promote high levels of savings and finance investment needs. It plays a critical role in the country's development by providing better intermediation between savings and investment as well as mobilization of investment funds.

Overall Sector Performance

The Sector contribution to GDP rose from 6.7 per cent in 2018 to 7.1 per cent in 2021. The proportion of the population using formal financial services rose from 82.9 per cent in 2019 to 83.7 per cent in 2021. This was mainly driven by growth in use of mobile money and mobile banking services. Although the contribution of the Gross National Savings was below the target, there has been a general upward trend in the contribution of savings as percentage of GDP from 14.5 per cent in 2018 to 16.4 per cent in 2021 as indicated in Table 5.6.

Table 5.6: Financial Services Overall Performance for the Period 2018 to 2020

MTP III Outcome	Outcome Indicator	2018		2019		2020		2021	
		Target	Actual	Target	Actual	Target	Actual	Target	Actual
Increased access to financial services	Proportion of the population using formal financial services (Disaggregated by sex) (%)	76.8	-	77.5	82.9 86(M) 80(F)	80	-	83	83.7 85.9(M) 81.7(F)
Increased financial services contribution to GDP	Share Financial Services Sector (FSS) contribution to GDP	7.6	6.7	7.8	6.5	8.1	6.8	8.5	7.1
Increased Gross National Savings	Saving as per cent of GDP	19.9	14.5	20.9	14.1	21.2	15.1	22.1	16.4

Source: Fin-Access 2021; Economic Survey 2022; The National Treasury.

Flagship programmes and Projects

Nairobi International Financial Centre (NIFC): NIFC was operationalized with appointment of the NIFCA Board and gazettelement of the NIFC Regulations. Over the review period, the Board of Directors were appointed; and Authority's Human Resource Instruments, NIFC Strategy initial set of incentives and NIFC corporate brand were developed.

Digital Finance: The Digital Finance Policy was developed and was at final stages of approval. The Central Bank of Kenya Act, 2016 was amended in 2021 to provide for licensing and oversight of the previously unregulated Digital Credit Providers. In addition, mobile money merchant interoperability was operationalized, and built on the Person to Person (P2P) interoperability launched in 2018.

Capital Markets Deepening: To diversify capital markets products, the Second Real Estate Investment Trust (REIT) was listed at the Nairobi Securities Exchange (NSE) and cross-listed at the London Securities Exchange (LSE). Green Bonds Regulations were developed to facilitate issuance of Kenya's first green bond and subsequent cross listing on the LSE. The sector promoted Government's affordable housing programme by facilitating the approval of corporate bonds issuances by two entities; Urban Housing Renewal Development Limited and the Kenya Mortgage Refinancing Company. In addition, two more market segments, *Ibuka* and Unlisted Securities Platform, were also introduced at the exchange to increase the participation of MSMEs in stock market.

Day trading was introduced at NSE in November, 2021 as a way of enhancing liquidity at the exchange. Following formalization of the regulatory mandate of commodities market in Kenya, licensing of farmers owned coffee brokerage from different parts of the country was implemented. In addition, establishment and operationalization of the Kenya National Multi-Commodities Exchange (KOMEX) was approved.

The sector also launched the derivatives markets, increasing the pool of hedging and investment instruments within the Kenyan capital markets to include single stock futures of select listed securities as well as index derivatives. The market infrastructure across the various entities that includes NSE, Central Depository and Settlement Corporation were upgraded to international standards. The Central Bank of Kenya is also at final stages of implementing a Central Securities Depository. Securities Lending and borrowing, and short selling were introduced in the Kenyan capital markets as some of the initiatives that enhanced liquidity.

Other Programmes and Projects

Architecture of the Financial Sector: The strategy paper on banking competition and consolidation was developed and policy proposals implemented through amendments to the Central Bank of Kenya Act, in December 2021. In addition, Competition (General) Rules, 2019 were approved and gazetted. All digital financial service providers complied with all the nine mandatory disclosure requirements. Moreover, medical/health insurance study was conducted and Provisions on existing chronic conditions and pre-authorization of medical insurance policies for 21 medical underwriting companies were reviewed.

Modernize Supervision: A framework on supervision of financial conglomerates was finalized in 2019 by a joint technical team of officers from the Joint Financial Sector Regulators Forum. Further, a Risk based supervision framework was adopted fully across the Financial Services Sector (FSS) and Capacity building ongoing among the FSS regulators. CBK issued a Guidance Note on Cybersecurity for Payment Service Providers (under the National Payments Act) in 2019 while a guidance note on Anti-Money Laundering

for Accountants in Kenya issued to guide the accounting profession on the application and implementation of anti-money laundering requirements.

Financial Capability: To improve financial capability, a Consumer Protection Framework was developed by each of the financial services sector regulator.

Long-term Saving: The Micro insurance regulations were approved in 2020 while implementation of the Micro insurance framework was in progress. The M-Akiba was launched and had raised a total of Kshs. 891.4 million from the public. Further, the depositor's protection payout was increased from Kshs.100,000 to Kshs.500,000 to increase public confidence on savings.

Lending and Investment Environment: The Government established Credit Guarantee Scheme (CGS) to support MSMEs to access quality and affordable credit by incentivizing banks to lend more to MSMEs. A seed capital of Kshs.3 billion was allocated for CGS. As at December, 2021, the Scheme had unlocked private sector credit worth Kshs.2.11 billion to target MSMEs in 11 sectors of the economy across the Counties. Under the Programme for Rural outreach and financial innovations Technology, AFC was able to lend KShs 2.4 billion to 115,000 beneficiaries. To support Government efforts on affordable housing under the Big Four Agenda, CBK reviewed the capital risk weight for residential mortgages from 50 per cent to 35 per cent while the Kenya Mortgage Refinance Company (KMRC) was established and licensed as a first Mortgage refinancing company.

EAC Financial Services Integration: The Kenya Deposit Insurance Corporation is in the process of developing Prescribed Forms and Policies for the implementation of special examination of banks and prompt corrective action in accordance with Sections 39, 41 and 42 of the Kenya Deposit Insurance Act, 2012. This is in line with the EAC Monetary Affairs Committee convergence criteria on bank supervision and financial stability.

Climate Finance: The Government developed a National Green Climate Fund Strategy, Private sector participation in Green Climate Fund (GCF) was enhanced through the accreditation of KCB Bank Kenya Ltd by the GCF Board as a National Direct Access Entity, thereby increasing the number of accredited entities in Kenya to three. Over the review period, the total volume of financing from GCF increased to USD 212.2 million with the approval of 12 projects and programmes. In addition, a Sovereign Green Bond Framework was developed in accordance with the International Capital Market Association (ICMA) - Green Bond Principles, 2021.

Policy, Legal and Institutional Reforms

- i) NIFC (General) Regulations (2021) was gazette;
- ii) Established the Nairobi International Financial Centre Authority (NIFCA);
- iii) Drafted: 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; and
- iv) Amended the Retirement Benefits Act Section 37.

Emerging Issues and Challenges

- i) The cost of financial products remained high and access gap continued to exist in terms of gender, literacy levels, occupations, residence and regions;
- ii) Limited access by MSMEs and the agricultural sector to credit from formal financial intermediaries;
- iii) Non-remittance of retirement benefit contribution by some public institutions;
- iv) Un-harmonized portability framework of retirements benefits across the EAC region;

- v) Low financial literacy and public awareness of financial services;
- vi) Weak coordination on monitoring and reporting of flows of Climate-finance in the country; and
- vii) Low reunification of Unclaimed Financial Assets due to restrictive legal framework and lack of follow up.

Recommendations

- i) Expand financial services products to unreached groups;
- ii) Expand Credit Guarantee Scheme to promote access to financial lending by MSMEs;
- iii) Regulate the fast-changing digital money platforms and ensure consumer protection; and
- iv) Promote financial literacy and awareness, consumer education and protection.

5.7 Oil, Gas and Other Minerals

Overview

The sector seeks to explore, develop and produce oil, gas and mineral resources that are spread across the country's geographical space for sustainable national economic development and wealth creation. The Sector places emphasis on increasing investment in oil, gas and mineral resources infrastructure to promote commercialization of discoveries, trade and regional integration.

Overall Sector Performance

During the review period, the Sector produced 415,032 barrels of crude oil against a target of 600,000 barrels. The first export of crude cargo in August 2019 under the Early Oil Pilot Scheme (EOPS) was 240,150 barrels. Receipt of crude oil continued after the first export and as at June 2020, the accumulated crude oil at Kenya Petroleum Refineries Limited (KPRL) storage facility was approximately 174,882 barrels. The Government's initiatives to enhance use of clean energy continued through promotion of private sector involvement in improving access to LPG by low income earning households. Such initiatives included reduction of LPG prices while increasing pricing of kerosene. Consequently, 3.7 million households, or nearly 30 per cent of the population (54 per cent urban and 18 per cent rural) used LPG of which 2.4 million households, (19 per cent of households nationwide) consider it their primary source of fuel. Total consumption of LPG increased from 247,420Kgs in 2018/2019 to 4,256,760Kgs in 2020/2021 as indicated in Table 5.7.

Table 5.7: Oil, Gas and Minerals Performance for the Period 2018/2019 to 2020/2021

MTP III Outcome	Outcome Indicator	2018/2019		2019/2020		2020/2021	
		Target	Actual	Target	Actual	Target	Actual
Increased oil and gas production	Quantity of crude oil produced (Barrels of crude oil produced per Day -BPD)	2,000	600	2,000	600	2000	0
Increased access to LPG	Proportion of households using LPG (Disaggregated by sex of Household head and geographically i.e. Rural Urban)	30	30	40	30	50	30

MTP III Outcome	Outcome Indicator	2018/2019		2019/2020		2020/2021	
		Target	Actual	Target	Actual	Target	Actual
	Total consumption of LPG (Kgs)	213,677	247,420	237,181	4,256,760	263,271	4,256,760

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

Flagship Programmes and Projects

Commercialization of the Oil and Gas Discoveries: The petroleum exploration blocks marketed nationally and internationally increased from 30 blocks in 2018/2019 to 38 blocks in 2020/2021. The additional eight blocks were relinquished by International Oil Exploration Companies (IOCs) to the Government owing to slowed exploration activities attributed to falling global crude oil pricing. Vacant blocks were marketed and various IOCs expressed interest in the blocks.

Complete Early Oil Pilot Scheme: The Programme attained production of 415,032 barrels of crude oil. The first crude cargo of 240,150 barrels were exported under the EOPS and about 174,882 barrels had been accumulated as at June 2020 by KPRL. Further, auditing of EOPS costs was undertaken to ascertain the credibility of recoverable costs.

Construction of Lokichar-Lamu Crude Oil Pipeline: Under this Programme, 60 per cent of the preliminary activities towards implementation of the Lokichar-Lamu Crude Oil Export pipeline project were completed. These include: Front-End Engineering Design (FEED); Environmental and Social Impact Assessment (ESIA) for the crude oil pipeline; and land survey and demarcation for the pipeline route were undertaken while land acquisition process and resettlement framework commenced.

National Liquid Petroleum Gas (LPG) Enhancement Project 'Mwananchi LPG Project': A total of 35,000 complete 6Kg LPG cylinders were distributed against a target of 150,000. The target was not met due to challenges in the procurement of LPG cylinder smart meters due to unresponsive bids.

Geological Surveys: The National Airborne Geophysical Surveys work was initiated and 90 per cent of the Country was mapped against a target of 100 per cent. Exploratory core drilling in Tharaka Nithi County and Ikutha in Kitui County were undertaken for vanadium and iron ore respectively.

Geological Data Bank: Installation of IT infrastructure for the data bank was done, 90 per cent digitization was achieved, with all Geological reports and maps scanned. An online geodata portal was completed and activated for public use.

Internationally Accredited Mineral Certification Laboratory: Laboratory was constructed, and acquisition of an Atomic Absorption Spectrometer commenced.

Capacity Development for Oil and Gas: A total of 848 officers were trained under the Kenya Petroleum Technical Assistance Project and Kenya National Petroleum Master Plan drafted.

Enhancement of Petroleum Products Storage Capacity in Mombasa: One tank in KPRL was converted from crude oil handling to Automotive Gas Oil (AGO) providing additional capacity of 16,872m³.

Other Programmes and Projects

Quality Assurance of Petroleum Products: During the review period, the following milestones were realized; testing of 65,326 samples in various petroleum dispensing sites; acquisition of two LPG quality

testing equipment to enhance the country's capacity to monitor compliance to LPG quality standards; and introduction of anti-adulteration levy to deter motor fuel adulteration using domestic kerosene.

Mineral Processing and Value Additional Centres: The Voi Gemstone Value Addition Centre was completed, installation of equipment was on going and Staff were deployed to operationalize the Centre.

National Oil and Gas Seismic Processing Centre: The center was established to provide specialized upstream services on processing upstream data. Specific achievements included: Establishment of a Seismic Processing Centre by acquiring both hardware and software; transcription of seismic legacy data from old format to modern industry format both by media and file system; and training of users on seismic data processing using Omega Software infrastructure for data decoding, interpretation, and display.

Policy, Legal and Institutional Reforms

- i) Drafted the National Petroleum Policy;
- ii) Drafted Petroleum Local Content Policy and Regulations;
- iii) Drafted Upstream Petroleum Regulations to operationalize the Petroleum Act, 2019;
- iv) Reviewed the Downstream Petroleum Regulations for inclusion in the Petroleum Act, 2019;
- v) Established National Mining Corporation; and
- vi) Upgraded Online Transactional Cadastre Portal to conform with the provisions of the Mining Act, 2016.

Emerging Issues and Challenges

Emerging Issues

- i) A shift from demand and supply of natural minerals to production of synthetic minerals; and
- ii) Increasing adoption of cleaner technologies such as ethanol, cracking hydrogen from mass water bodies and second-generation biofuels.

Challenges

- i) Fluctuating crude oil, gas and mineral prices leading to slow down of exploration activities by international oil and mining companies;
- ii) High capital investment required to implement oil, gas and mining projects;
- iii) Escalating cost of land acquisition, water access and control issues for developing Oil and Gas fields;
- iv) Low awareness on the mineral prospects and investment opportunities of the largely unexploited Mineral sub-sector in the Country;
- v) Inadequate and un-updated mineral data and information for mineral development activities; and
- vi) Inadequate infrastructure and technical skills to facilitate exploration and exploitation of minerals.

Lessons Learnt

- i) 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.

Recommendations

- i) Build technical and professional capacities through strategic partnership to enhance local content and skills transfer in the sector;

- ii) Carry out inventory of all mineral prospects and investment opportunities in the Sector to avail data to the public and potential investors;
- iii) Upgrade geological equipment, specialized equipment and machinery; and
- iv) Enhance investments in strategic and critical minerals (coltan and Rare Earth Elements).

5.8 Blue Economy

Overview

The Blue Economy is one of the sectors introduced in MTP III due to its potential in driving the country's development agenda by enhancing exploitation of aquatic and marine resources. The Sector contributes to food and nutrition security, rural development, income earnings, direct and indirect employment creation and is a source of foreign exchange. It also facilitates trade between Kenya and the neighboring countries served by the Country's ports and also international trade through maritime based systems and networks.

Overall Sector Performance

The sector contribution to GDP in terms of fishing and aquaculture increased from 0.5 per cent in 2018 to 0.7 per cent in 2021 against the target of 3 per cent and 5.4 per cent respectively. Fish and fish product export value reduced from Kshs.3 billion in 2018 to Kshs.2.7 billion in 2020, and increased to Kshs.3.4 billion in 2021 as indicated in Table 5.8. This was attributed to increased demand for marine finfish in Europe and Nile perch fish maws in China coupled with developed domestic capacity for industrial and semi-industrial deep-sea fishing.

Further, 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 European Union accepted a Residue Monitoring Plan for farmed fish from Kenya, hence, opening Kenyan farmed fish to the larger global market.

Table 5.8: Blue Economy Overall Performance for the Period 2018 to 2021

MTP III Outcome	Outcome Indicator	2018		2019		2020		2021	
		Target	Actual	Target	Actual	Target	Actual	Target	Actual
Increased contribution of Blue economy to GDP	Share of Blue Economy contribution to GDP (<i>fishing and aquaculture</i>)	3	0.5	3.5	0.6	4.8	0.6	5.4	0.7
Increased exports of fish and fish products	Value of Fish and Fish products Exported (Billion Ksh)	2.0	3.0	2.1	3.4	2.1	2.7	2.2	3.4
Increased job creation in the Blue economy	Number of Seafarers working on board foreign ships	313(M) 62 (F)		1313(M) 562 (F)	92(M) 18(F)	1313(M) 562 (F)	496(M)	1875 (M) 1225 (F)	200(M)

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

Flagship Programmes and Projects

The Fisheries and Maritime Infrastructure Development flagship programme has been reported under Part II on progress on implementation of Food and Nutrition Security of the Big Four Agenda.

Development of the Blue Economy Programme: The Kenya National Shipping Line was revived and operations restructured through signing of an MOU between Kenya National Shipping Line (KNSL) and Mediterranean Shipping Company. A total of 2,118 seafarers working on-board foreign ships, were trained out of which 1,732 were males and 386 females. A total of 100 fishing crew were trained on safety at sea skills; and 274 county staff were trained as trainers of trainers on Participatory Integrated Community Development. Out of the number trained, KNSL in partnership with Mediterranean Shipping Company employed 444 seafarers. Also within the period under review, Kenya Marine Fisheries and Socio-Economic Development trained a total 281 County Staff in Participatory Integrated Community Development, 40 were trained as trainers of trainers and 241 County Technical Officer trained as trainers of facilitators.

Exploitation of Living Resources under Blue Economy Programme: Under the programme, National fishing vessels increased from nine in 2018/2019 to 21 in 2020/2021 meeting the requirements of the Indian Ocean Tuna Commission. Two fishing vessels were licensed (Ocean Eagle call sign 5ZAAX and RA-HORAKHTY call sign 5ZAAT). The National Fishing and Merchant Fleet was developed with eight fishing vessels (six targeting Tuna and Tuna like fish, and two targeting crabs, mid and surface pelagic). On improvement of fish production, a total of 1,900,000 Tilapia fingerlings were stocked in dams in 20 counties.

Aquaculture Business Development Programme (ABDP): A total 990,000 fingerlings were stocked in dams in 15 counties implementing ABDP while 8,000,000 fingerlings of Nile tilapia and catfish were stocked in Lake Naivasha and Lake Jipe. Further, the Programme supported 5,392 level 1 farmers (3,179 with predator control kits and 2,213 with UPVC pond liners).

Aquaculture Technology and Development and Innovation Transfer Programme: Construction of the training facility in Sagana was 60 per cent complete while Aquaponics Systems to entrench fish farming and technology transfer among the youth was established in 10 learning institutions. In addition, a total of 23 fish processing establishments were certified.

Monitoring, Control and Surveillance Programme: Kenya Coast Guard Service was established to enhance monitoring, control and surveillance in the Exclusive Economic Zones (EEZ). Kenya Fisheries Service installed a Vessel Monitoring System to monitor industrial fishing vessels in the EEZ. In addition, the Kenya Marine Fisheries and Socioeconomic Development Project supported the implementation of monitoring, control and surveillance activities in Kenya's EEZ.

Development of Fish Quality Laboratories Programme: The installation of electrical works, CCTV and Mechanical works in Kisumu and Nairobi, South C laboratories were 90 per cent and 80 per cent complete respectively.

Rehabilitation of Fish Landing Sites in Lake Victoria Programme: Rehabilitation of fish landing sites was undertaken at Sori in Migori (80 per cent); Nyandiwa in Homa Bay (10 per cent); Mulukhoba in Busia (80 per cent); Wichlun in Siaya (80 per cent); LwandaK'Otieno in Siaya (85 per cent); and Ogal in Kisumu County (40 per cent).

Fish Post-Harvest Management: Post-harvest infrastructure and facilities were developed in the Lake Victoria region to enhance hygiene and safety, reduce fish post-harvest losses; and enhance fish market access for fish and fish products. In addition, Mini Fish Processing Factories were established in Meru, Nyeri, Kakamega and Migori Counties as one of the means to address post-harvest losses.

Policy, Legal and Institutional Reforms

Policy Reforms

- i) Revised the National Oceans and Fisheries Policy;
- ii) Developed Ornamental and Recreational Fisheries Guidelines; and
- iii) Drafted the National Maritime Transport Policy.

Legal Reforms

- i) To operationalize the Fisheries Management and Development Act (FMDA), 2016 the following regulations were developed and were awaiting gazettelement:
 - a) Fisheries Management and Development (Marine) Regulations,2020;
 - b) Fisheries Management and Development (Inland) Regulations,2020;
 - c) Fisheries Management and Development (Recreational) Regulations,2020; and
 - d) Fisheries Management and Development (General) Regulations, 2020.
- ii) Enacted Kenya Coast Guard, Act, No.11 of 2018; and
- iii) Drafted Maritime Laws Amendment Bill, 2021.

Institutional Reforms

- i) Transformed Bandari Maritime Academy into a Maritime center of excellence for maritime skills development for the blue economy;
- ii) Restructured Kenya National Shipping Line; and
- iii) Established the Kenya Fisheries Service, Kenya Fish Marketing Authority and Fish Levy Trust Fund.

Emerging and Issues Challenges

- i) Invasive species in water bodies like water hyacinth and harmful algae blooms associated with ballast water exchange that affect the marine ecosystem;
- ii) Environmental degradation (water pollution, eutrophication and water hyacinth);
- iii) Illegal, unreported and unregulated fishing (fish cage farming) and overfishing;
- iv) Disputes, piracy and insecurity in transboundary water bodies;
- v) Inadequate facilities and equipment for fish handling at entry and exit points;
- vi) Rising water levels of various lakes negatively affected fishing activities;
- vii) Low awareness on the opportunities in the blue economy sector; and
- viii) Insufficient training facilities and equipment to offer training required for qualification and certification under the Standards of Training Certification and Watch-keeping (STCW '78) Convention.

Recommendations

- i) Develop diverse skills and competencies for management and development of the Blue economy through collaborative programmes in maritime training, education and certification;
- ii) Strengthen the Beach Management Units; and
- iii) Adopt modern fishing technologies.

6.0 THE SOCIAL PILLAR

Overview

The core of the Social Pillar of the Vision 2030 is to invest in the people of Kenya, it seeks to build a just and cohesive society enjoying equitable social development in a clean and secure environment. This is to be realized through transformation and implementation of policies, programmes, and projects in six priority sectors. The following sections highlight the achievements under each of the sectors within the social pillar.

6.1 Education and Training

Overview

The Education and Training Sector seeks to have a “globally competitive quality education, training and research for sustainable development”. The sector priorities include actualization of the right to free and compulsory basic education; improvement of post-basic education; enhancement of quality and relevance of education and training; integration of ICT into teaching and learning; enhancement of financing in education and training; and improvement of governance at all levels.

Overall Sector Performance

Gross Enrolment Rate (GER) in Early Childhood Development Education (ECDE) increased from 78.4 per cent in 2018/2019 to 110.6 per cent in 2020/2021 while GER for Secondary increased from 70.3 per cent in 2018/2019 to 71.8 per cent in 2020/2021 as shown in Table 6.1. However, GER for primary declined from 104 per cent to 97.2 per cent over the similar period. The Government achieved the Teacher pupil ratio of 1:40 in primary and secondary education. Gross enrolment at TVET increased from 284,506 in 2018/2019 to 364,090 in 2020/2021 due to increased establishment of TVET institutions across the country. Other notable achievement within the sector was the rolling out of a new education system based on the Competency Based Curriculum (CBC).

Table 6.1: Education and Training Overall Performance for the Period 2018/2019 to 2020/2021

MTP III Outcome	Outcome Indicator	2018/2019		2019/2020		2020/2021	
		Target	Actual	Target	Actual	Target	Actual
Universal access to basic education	ECDE GER (per cent)	77.5	78.4	80	109.4	81	110.6
	Primary level GER (per cent)	104.5	104	104.8	99.63	105.2	97.2
	Primary to secondary transition rate (per cent)	96	95.3	98	95	100	91
	Secondary GER (per cent)	70	70.3	75	71.2	80	71.8

MTP III Outcome	Outcome Indicator	2018/2019		2019/2020		2020/2021	
		Target	Actual	Target	Actual	Target	Actual
Improved adult and child numeracy and literacy skills	Number enrolled in adult and continuing education	311,000	211,627	316,000	169,302	321,874	126,910
Enhanced quality of education	Teacher pupil ratio at basic education	1:40	1:36	1:40	Public-1:39 Private-1:24	Public: private 1:40	Public: private 1:40
	Teacher - student ratio at secondary education	1:40	1:40	1:40	Public-1:29 Private-1:19	Public: private 1:40	Public: private 1:40
	Textbook: pupil ratio (at primary and secondary)	1:01	1:01	1:01	1:1 Grades 1, 2, and 3 1:0.96 Grade 7 and 8	Ratio: 1:1	Ratio: 1:097
Increased access to TVET	TVET gross enrolment	260,261 137,820 (M) 122,441 (F)	284,506 157,971(M) 126,535 (F)	274,243 151,602 (M) 122,641 (F)	430,598 246,486(M) 184,112 (F)	301,667 166,762 (M) 134,905 (F)	364,090 207,958(M) 156,132 (F)
Improved gender equity	Gender parity index	0.8	0.8	0.8	0.97	0.8	0.97
Improved access to university education	Enrolment rate per cent	-	-	88	98	89	89

Source: Annual Progress Report I, II and III

Flagship Programmes and Projects

Universal Secondary Education: A transition rate of 91 per cent, was achieved in 2020/21 and was attributed to implementation of Government policy on 100 per cent transition from primary to secondary education. In addition, 5,000 teachers and 6,000 intern teachers were recruited while 342 classrooms, 74 laboratories and 148 Water Sanitation and Hygiene facilities were constructed.

TVET Infrastructure and Equipment: 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 out of the total institutions equipped were Special Technical Training Institutions. In addition, five Technical Training Institutes (TTIs) in counties, 112 TTIs in constituencies were completed, while construction of 30 TTIs in constituencies in phase III were on average over 40 per cent complete. Further, four special TTIs were equipped to enable them to impart relevant skills and work experience to vulnerable youth and 32 institutions were equipped, which led to increased enrolment in TVET institutions.

Basic Education Competency Based Curriculum: About 3,000 teachers were trained on remote learning through Kenya Education Cloud, and 365 electronic learning support materials were produced and disseminated. In addition, Kenya Institute of Curriculum Development finalized curriculum designs for

grade 6, and developed 25 curriculum designs for grades 7, 8 and 9; and developed scope and sequence charts for 27 subjects in grades 10, 11 and 12.

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; three curriculum designs for Kenya sign language for grades 7 to 9 and three 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.

Competency Based Education and Training (CBET) for TVET: The sector through Curriculum Development Assessment and Certificate Council continued with CBET roll out to 40 per cent of the planned target; and developed 406 national occupational standards. In addition, 97 Sector Skills Advisory Committees (SSACs) that comprise of industry experts, professional bodies, societies, and regulators were formed for the development of CBET programmes.

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

Kenya National Qualifications Framework (KNQF): During the review period, KNQF regulations, 2018 were developed; 401 qualifications were registered; and eight standards and guidelines were developed. Further, 10 national qualifications systems, standards and guidelines were developed; the Kenya National Learners Records Database was established and implemented; 100 guidelines to inform recognition, equation and verification of qualifications were developed; and National Qualifications Management Information System was developed.

National Education Management Information System (NEMIS): To support emerging reforms in the sector, NEMIS was designed and upgraded. The roll out of NEMIS was successful in registering over 10 million learners from basic education institutions since its inception. Further, all learning institutions at primary and secondary levels were registered and awarded Unique Institution Codes. The registration at both secondary and primary levels in NEMIS was at 97 per cent and 60 per cent, respectively. The low rate of registration at primary level was attributed to lack of birth certificates in some instances which are a requirement for registration.

National Skills Development: National career guidelines for tertiary education institutions were developed in 2018 and a monitoring and evaluation tool for establishment of the office of career services was developed in 2020. A total of 19 Universities and 41 TVET institutions had established the office of career services by 2020. Further, a roadmap on the Joint programme on bridging the skills gap through workplace learning programmes 2019/2020 to 2023/2024 was developed.

National Psycho-Education Assessment and Placement Centre: Construction of National Psycho-Education Assessment and Placement Centre at Kenya Institute for Special Education (KISE) was completed and equipped with an additional 11 specialist staff deployed to the centre to enhance the level of operations. Further, 2,039 children were assessed and 3,607 were offered with therapy services.

Enterprise Development Incubators: A total of 16 cottage incubation centres were established and mainly focused on mask production; motor vehicles; fashion and design; carpentry and joinery; hospitality; beauty; and therapy. In addition, 11 incubation centres were established in nine counties.

Teacher Provision, Competence and Professional Development: TSC trained 107,000 primary school teachers on CBC, recruited an additional 18,700 teachers on permanent and pensionable terms, and 12,000 as interns.

Laptops and Assistive Technology for Learners with Special Needs: The Government initiated the implementation of digital learning programme phase 2 (2019 to 2030), which targets promoting advanced Learner Digital Devices for upper primary, grades 4 to 6 in line with CBC roll out. In addition, 456 orbit reader devices were distributed in 35 schools across 27 counties while 42 teachers and 14 technicians were trained on use of orbit readers and 34 secondary school teachers were trained by KISE. 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.

Students Financing: The number of undergraduate students receiving loans in university increased from 233,444 in 2018/2019 to 243,084 in 2019/2020 before decreasing to 229,727 in 2020/2021 because of budget rationalization. The number of university students receiving bursaries consistently declined from 21,941 in 2018/2019, to 19,947 in 2019/2020 and 18,974 in 2020/2021. In addition, eight universities were supplied with engineering and applied sciences equipment worth Kshs.2.5 billion to strengthen teaching in Science, Technology, Engineering and Mathematics (STEM).

Other Programmes and Projects

Access and Equity in Education and Training:

- **Universal Early Childhood Development Education:** The number of ECDE centers increased from 42,317 in 2018/2019 to 46,530 in 2019/2020. This is attributed to county governments' increased investment in the education sector. A total of 983 new ECDE centers were constructed, 2,639 classrooms constructed in existing ECDE centers, 1,028 sanitation blocks constructed, 1283 centers renovated to address special needs learners, and 446 constructions were ongoing in ECDE centers.
- **Universal Primary Education:** The Number of schools supported by Free Primary Education grants increased from 22,674 schools in 2018/2019 to 22,904 in 2019/2020 and 22,998 schools in 2020/2021.
- **Increasing Access to University:** University enrolment increased from 519,462 in 2018/19 to 546,699 in 2020/2021. Five universities were awarded a charter as targeted. Two University constituent colleges and one specialized degree awarding university were established. There were 32 fully fledged public universities, 36 private universities, one specialized degree awarding university and eight university constituent colleges under the review period.

Enhance Retention in Basic Education

- **Low-cost boarding capitation grants:** Access and equity in ASAL and marginalized area in primary education was achieved through financing capitation support grants for learners from communities and counties with recurring challenges. Enrolment in Low-Cost Boarding schools decreased from 114,437 in 2018/2019 to 84,786 pupils in 2019/2020 and further to 83,146 in 2020/2021. The drop was occasioned by improved household abilities, upgrading some of the schools out of the categories and enhanced verification of deserving cases.
- **School Meals Program:** The number of learners provided with day meals increased from 1.62 million in 2018/2019 to 1.84 million in 2020/2021. Further Kshs.200 million was used to provide fortified porridge to mitigate against impact of Covid-19, to urban slums under learning continuity in basic education.
- **Sanitary Towels Provision:** The number of girls benefiting from the programme increased from 1.3 million in 2018/2019 to 1.67 million in 2020/2021.
- **Education and Training in Marginalized Areas:** The GER for learners in primary education stood at 3,281,000 in 23 ASAL counties in 2020/2021 comprising 52 per cent boys and 48 per cent girls. The student toilet ratio in ASALs stood at 1:90 and were not gender and disability friendly.
- **Enhance Retention in TVET:** The sector disbursed capitation to TVET trainees amounting to Kshs. 2.446 billion, Kshs.2.673 billion, and Kshs.4.946 billion, in 2018/2019, 2019/2020, and 2020/2021 respectively. During the period, a total of Kshs. 6.960 billion was disbursed to the Vocational Training Colleges to support 441,410 trainees.

Revitalization of Adult and Continuing Education (ACE): Between 2018/2019 to 2021/2022 academic years, a total of 507,839 learners were enrolled in adult and continuing education into secondary centres and ACE primary centres. Advocacy and awareness creation of ACE programmes were held in all counties.

Quality and Relevance in Adult and Continuing Education: Five Multipurpose Development Training Institutes (MDTI) were renovated and furnished. A total of 197 Community Learning Resource Centres (CLRCs) were established across the country in order to improve the literacy. The number of Adult Learners who sat for the Proficiency Test increased from 19,348 in 2018 to 20,140 in 2019. The number of Adult and Continuing Education learners who sat for KCPE decreased from 5,356 (male 2,840 female 2,516) in 2018 and 3,292 (1,903 male and 1,389 female) in 2020 while the number of Adult and Continuing Education learners who sat for KCSE increased from 2,081 in 2018 to 3,217 in 2020.

Special Needs Intervention for Education and Training:

- **Rehabilitation and Equipment of TVET SNE Institutions:** The four special needs institutions (Machakos TTI for the Blind; Karen TTI for the Deaf; Sikri TTI for Deaf and Blind; Nyangoma TTI for the Deaf) were rehabilitated and equipped. Enrollment increased from 1,757 in 2018/2019 to 2,414 in 2019/2020 and 3,301 in 2020/2021. A leather technology workshop was constructed at Machakos TTI for the Blind, one ablution block was constructed at Karen TTI for the Deaf, and two tuition blocks constructed in Nyang'oma TTI and Sikri TTI for Deaf and Blind. A total of four new workshops were established and equipped in the 4 SNE institutions.

- **Rehabilitation and Equipment of County and Sub County EARCs:** The number of public SNE institutions grew by 6 per cent over the review period, accounting for 13 per cent of all public primary schools. This expansion and the assessment services are offered at the 47 county Educational Assessment and Resource Centres (EARCs).
- **Mentorship and Talent Development for all Level of Education and Training:** The mentorship policy was developed to guide mentorship and nurturing of students to promote participation in science, technology, arts, engineering, and mathematics.

Integrating ICT into Teaching, Learning and Training

- **Digital Learning Programme in Primary Schools:** A total of 43,434 Teacher Digital Devices, 1,182,345 Learner Digital Devices, Digital Content Server, and 21,717 Wireless Router and 21,717 projectors were supplied to schools. The number of primary schools installed with digital devices was 21,717 out of the 22,998 translating to 94.4 per cent coverage. Under quality and relevance, on-line course for primary school teachers on both ICT integrations in learning was undertaken to implement CBC and 9,000 teachers were trained. In addition, the vetted Grade 3 interactive digital content was curated and finalized with the new Universal Design for Learning platform for SNE digital content established.

Policy, Legal and Institutional Reforms

- Developed Basic Education Competence-Based Curriculum Framework;
- Developed National Quality Assurance Framework;
- Developed National Curriculum Policy;
- Amended Universities' Act, 2012 in 2019; and
- Amended KICD Act, 2013 in 2018.

Emerging Issues and Challenges

- High cost of ICT equipment, slow and unreliable internet connection at schools, and Inadequate ICT skills;
- Teenage pregnancy, early marriage and child labour;
- Inadequate teaching devices in Special Needs Institutions; and
- Insufficient digital content on Competency Based Curriculum (CBC).

Recommendations

- Early identification of children with special needs for placement in appropriate SNE institutions;
- Strengthen collaboration between the two levels of government in provision of education resources; and
- Enhance linkages between education skills and industry.

6.2 Health

Overview

The Health Sector seeks to ensure equitable, affordable and quality health care of the highest standard for all citizens. The Sector is key in ensuring a healthy and productive populace and contributes to achievement of “Big Four” Agenda under Universal Health Coverage initiative.

Overall Sector Performance.

The doctor-population ratio and Nurse-population ratio increased from 2 and 10 in 2018/2019 to 2.9 and 12.6 in 2020/2021 respectively. Infant mortality rate per 1,000 live births reduced from 39 in 2018/2019 to 32 in 2020/2021 while Maternal Mortality rate per 100,000 live births reduced from 366 to 342 over the same period. Similarly, under-5 mortality rate per 1,000 live births reduced from 52 in 2018/2019 to 43 in 2020/2021. TB incidence per 100,000 population reduced from 426 in 2018/2019 to 259 in 2020/2021 while TB treatment success rate improved from 83 per cent to 84 per cent over the similar period as shown in Table 6.2.

Table 6.2: Health Overall Performance for the Period 2018/2019 to 2020/2021

MTP III Outcome	Outcome Indicator(s)	2018/2019		2019/2020		2020/2021	
		Target	Actual	Target	Actual	Target	Actual
Reduced child mortality	Under-5 mortality rate per 1,000 live births	48	52	48	52	45	43
	Infant mortality rate per 1,000 live births	35	39	35	39	30	32
	Neo-natal mortality rate	21	22	21	22	20	21
	Proportion of under 1-year old children fully Immunized (per cent)	84	80	84	80	88	82.5
	DPT/Hib/Heb (Penta3) Coverage (per cent)	97	89	88	81	90	85.7
Reduced maternal mortality	Maternal Mortality rate per 100,000 live births	150	366	150	366	300	342
	Maternal mortality rate in health facilities per 100,000 deliveries	89	92	89	92	79	108
Improved maternal and neo-natal health	Proportion of births attended by skilled health personnel (per cent)	62	65	62	73	78	72.9
	4 th Antenatal Care (ANC) coverage (per cent)	49	55.1	55	50.4	60	52.2
	Modern Contraceptive Prevalence Rate (mCPR) among married women	56.8	53	56.8	44	57.6	49
	Unmet need for family planning	20	18	15	13.8	15	13.8
Reduced Malaria/TB incidences	Malaria incidence rate per 1,000 population	46	78	46	93	67	79
	TB incidence per 100,000 population	172	426	172	426	150	259
	TB treatment success rate (per cent)	92	83	92	83	94	84
Increased access to universal health care	Doctors per 10,000 population	1.7	2	1.7	2	3	2.9
	Nurses per 10,000 population	12	10	12	10	13	12.6

Source: Ministry of Health Annual Progress Reports.

Flagship Programmes and Projects

Social Health Protection Programme: Through the Linda Mama programme, the NHIF scheme registered 1,163,712 expectant mothers to be beneficiaries of quality and affordable health services with 784,220 deliveries in the same period recorded.

Medical Tourism Programme: Construction of three cancer treatment centers in Nakuru, Mombasa and Garissa were completed. In 2020/2021 equipping and expansion of Intensive Care Unit (ICU) and High-dependency Unit (HDU) at Moi Teaching and Referral Hospital (MTRH) led to ICU capacity increasing from six to 63 during the period under review. Equipping of Neonatal ICU was also completed in 2020/2021. Construction and Equipping of the Integrated Molecular Imaging Centre and Hospitality Center at Kenyatta University Teaching, Referral & Research Hospital (KUTRRH) was completed and equipped making it the only public facility in East and Central Africa to offer the comprehensive continuum of cancer care.

Health Infrastructure Programme: In the period under review, the following was achieved:

- The Medical Equipment Services (MES) project was expanded to cover a total of 118 hospitals from the initial 98 hospitals.
- Kenya Medical Training College (KMTC) completed the construction and operationalization of four new campuses at Mbooni, Ndhiwa, Kangundo and Imenti.
- Construction of a National Commodity storage center was 88 per cent complete in 2020/2021. In addition, health infrastructure in KNH and MTRH were modernized.
- Distributed 17 Ultra Cold Chain Equipment to the national and the regional depots.
- A State-of-the-Art Research Laboratories in KEMRI was constructed with four centers within the Institute's Central Laboratory Complex (Centre for Biotechnology Research and Development , Centre for Microbiology Research, Centre for Virus Research and Centre for Traditional Medicine and Drug Research) receiving a major phase-lift. In Kirinyaga, Level I laboratory for routine laboratory services and an office space were constructed while a COVID-19 Molecular Laboratory was established and operationalized at the Mandera County Referral Hospital.

Community Health High Impact Interventions Programme

- **National Integrated Community Case Management:** capacity building for 30 counties were on National Integrated Community Case management was undertaken and 3,250 Community Health Volunteers (CHVs) trained. The Integrated Community Case Management Policy for pneumonia treatment and antibiotic (amoxicillin DT) at the community level was approved by Pharmacy and Poisons Board.
- **Strengthening community health units:** A total of 8,663 community health units were established.
- **Scaling-up of nutrition intervention at community level:** Four technical guidelines for scale-up on nutrition at the community level were developed and disseminated; and integrated food and nutrition content were included into the revised school curriculum.

Digital Health Programme: During the period under review, District Health Information System (DHIS) 2 and Kenya Master Health Facility List were integrated. e-learning platforms for the DHIS 2 users was introduced to ensure continuous capacity building for all county and national programmes officers. In addition, Enterprise Resource Planning system and Virtual Private Network (VPN) were connected and installed in 72 KMTC campuses.

Human Resource for Health Programme: During the review period, a total of 12,621 health professionals in specialized and sub-specialized areas were trained and 16,940 students were admitted for training in various health disciplines.

Quality Care/Patient and Health Worker Safety Programme: In an effort to increase the number of facilities with capacity to prevent, detect and report Antimicrobial Resistance (AMR), 12 out of the targeted 22 (55 per cent) sites were connected to the AMR Surveillance network. AMR coordination structures (National Antimicrobial Stewardship Interagency Committee, and 13 County Antimicrobial Stewardship Interagency Committees) were established. A facility readiness assessment to prepare facilities for better response to outbreaks and pandemics covering more than 700 health care facilities was conducted in 2020 and 2021. All counties were trained on Kenya Quality Model for Health (KQMH) for quality-of-care improvement and assessment of quality of care using the electronic KQMH tool.

Other Programmes and Projects

Management of Malaria and Tuberculosis (TB): The country adopted shorter treatment regimens for both Drug Susceptible TB and Drug Resistant TB leading to reduction of TB incidence and mortality by 20 per cent and 30 per cent respectively. Malaria incidence rate per 1,000 population increased from 78 in 2018/2019 to 79 in 2020/ 2021.

Expanded Programme on Immunization: The country introduced four new vaccines since 2018 for continuous reduction of child and adult morbidity and mortality. These vaccines are: The Yellow Fever vaccine in high-risk counties, Malaria Vaccine in high-risk counties, Human Papillomavirus Vaccine against cervical cancer, and COVID-19 vaccines (AstraZeneca, Pfizer, J&J, Moderna and Sinopharm).

Reproductive, Maternal, New Born, Child and Adolescent Health: The fourth ante-natal clinic visit coverage registered annual improvement from 40 per cent in 2016 to 52.8 per cent in 2021. The proportion of women delivering under a skilled provider rose from 59.6 per cent in 2016 to 79.4 per cent in 2021.

Environmental Health and Climate Change: Blue boxes were acquired for use by counties for early detection of aflatoxin, fumonisins and moisture in cereals and pulses. A total of 31 minilabs were established in 12 counties (mainly ASAL counties). Further, a total of 280 Public Health Officers were trained and certified on the use of the blue boxes.

COVID-19 Health Emergency Response: As an emergency response to the pandemic, the national government disbursed Kshs.7.7 billion to the counties for COVID-19 support. As at 31st December 2021, the number of confirmed COVID-19 positive cases and related deaths were 295,028 and 5,378 respectively. National COVID-19 Vaccine Deployment Plan 2021-2023 (NVDP) was developed to guide vaccination strategy against COVID-19 as well as support the mobilization of the required resources. In addition, e-courses on Outline for Infection Prevention and Control Case Management Critical Care Course; and Community Health Assistants (CHAs) Course were developed.

Policy, Legal and Institutional Reforms

- i) Developed Emergency Medical Care Policy 2020-2030;
- ii) Developed Internship Policy for Healthcare Professionals 2020;
- iii) Established Kenya National Public Health Institute as a state corporation;
- iv) Drafted Food Safety Bill; and
- v) Amended Health Laws Act, 2019.

Emerging Issues and Challenges

- i) COVID-19 pandemic and subsequent containment measure;
- ii) Changing donor funding landscape has adversely affected the funding levels for implementation of key interventions;
- iii) Inadequate health personnel; and
- iv) Inadequate drugs in public health facilities.

Recommendations

- i) Carry out impact assessment on the impact of Linda Mama and Health Insurance Subsidy Programme; and
- ii) Improve disease surveillance to enhance preparedness in handling emerging pandemics.

6.3 Environment, Water, Sanitation, and Regional Development

Overview

The Environment, Water, Sanitation, and Regional Development Sector plays an important role in ensuring the sustainability of natural resources in the Country. The Sector seeks to ensure a clean, safe and sustainable environment, and increase access to water and sanitation services. It is aligned to the SDGs, 6, 11, 12, 13, 15, Africa Agenda 2063, and other regional development initiatives. During the Plan period, the Sector focused on conservation and management of natural resources; waste management, integrated regional development, water resources management, increasing area under irrigation; and mitigation and adaptation to the effects of climate change among other programmes.

Overall Sector Performance

The proportion of land area under forest cover increased from 7.27 per cent in 2018/2019 to 8.83 per cent in 2020/2021 due to increased tree planting on public, communal and private forest lands as well as ban on logging activities in government forests. In addition, the proportion of degraded landscapes restored increased from 20 per cent in 2018/2019 to 60 per cent in 2020/2021 as shown in Table 6.3.

The proportion of national population using safe drinking water services increased from 62.9 per cent in 2018/2019 to 65.5 per cent in 2020/2021 while sanitation coverage increased from 70 per cent in 2018/2019 to 82.5 per cent in 2020/2021 with urban sewerage coverage increasing from 26 per cent to 27.7 per cent over the same period. The slow progress in access to safe drinking water and sanitation services was attributed to low household connectivity to completed water and sanitation projects. Water harvesting and storage capacity increased from 4.0 m³ per capita in 2018/2019 to 4.8 m³ per capita in 2020/2021 due to construction of medium and small dams/pans. Additional land under irrigated crop production increased from 15,569 acres in 2018/2019 to 48,000 acres in 2020/2021.

Table 6.3: Environment, Water, Sanitation, and Regional Development Overall Performance for the Period 2018/2019 to 2020/2021

MTP III Outcome	Outcome Indicator	2018/2019		2019/2020		2020/2021	
		Target	Actual	Target	Actual	Target	Actual
Improved access to clean and safe water	Proportion of national population using safe drinking water services (per cent)	64	62.9	68	62.9	72	65.5
	Urban population with access to clean and safe water (per cent)	72	60	75	72.2	78	74
	Rural population with access to clean and safe water (per cent)	60	50.2	64	55.6	68	61.5
Increased water harvesting and storage capacity	Water storage capacity per capita (Cubic meters)	4	4	4.5	4	5	4.8
Increased access to sanitation	Per centage of population using basic sanitation services (per cent)	71	70	74.5	82.5	78	82.5
	Proportion of Urban population with access to sewerage connection (per cent)	28	26	31	26	34	27.7
Improved sustainability of water-Related	Proportion of land area under forest cover (per cent)	7.34	7.27	7.5	7.4	7.62	8.83

MTP III Outcome	Outcome Indicator	2018/2019		2019/2020		2020/2021	
		Target	Actual	Target	Actual	Target	Actual
Ecosystems including, mountains, forests, wetlands, rivers, aquifers and lakes	Proportion of degraded landscapes restored (per cent)	30	20	40	30	50	60
Additional land under irrigated crop production (maize, I/potatoes, rice, cotton, horticultural crops and pasture	Additional area under irrigation (Acres)	20,000	15,569	40,000	46,616	140,000	48,000

Flagship Programmes and Projects

Waste Management and Pollution Control: A total of 11 counties had dumpsites that attained five-minimum points out of the recommended 10-minimum points of a well-managed dumpsites. Kibarani dumpsite in Mombasa was decommissioned through a joint partnership between the public and private sectors in waste management.

A total of 8,100 environmental audit reports were reviewed, and 775 civil and 175 criminal environmental cases were prosecuted to enhance compliance with environmental regulations and standards. Established 17 Material Recovery Facilities in Nairobi metropolitan area to enhance waste segregation, recovery, recycling, phase out of dumpsites, and create green jobs.

Modernization of meteorological services programme: Three Automatic Weather Observing Systems were installed in Moi Airport, Laikipia Airbase and Moi Airbase; 120 Automatic Weather Stations installed; 19 Automatic Hydromet Weather Stations upgraded; and two Automatic Water Level Stations established within Nzoia basin. Additionally, installation of two hydrological modelling workstations for flood early warning, 143 automatic rain-gauges, and two base station servers were completed. Further, 60 digital weather instruments; modern IP PABX system; mobile bulk storage filing system for historical/climatological data; Air Conditioners for IMIS Data Centre and RTH server room at Kenya Meteorological Department Headquarters were installed.

Rehabilitation and protection of the water towers project: To rehabilitate and protect water towers, the sector recovered 17,101 Ha in Maasai Mau Forest; 142,601 Ha of Mau Forest Complex were protected by Joint Enforcement Unit to contain destruction, encroachment and illegal extraction of Water Towers resources; while 30 Km of Maasai Mau Water Towers was fenced. In addition, a total of 225Ha of degraded Water Towers were rehabilitated through planting of indigenous tree seedlings while an Integrated Water Towers Monitoring Framework was developed to support acquisition of real time data for water towers surveillance.

Advertent weather modification programme: During the period under review, a cluster system for the climate diagnostic laboratory and peripheral equipment for the weather modification operations and research Centre; a data logging system for the mobile air quality laboratory; and new hydrogen generators for the upper air stations in Garissa, Lodwar and Nairobi were acquired. In addition, a brewer spectrophotometer 24-hour ozone total column observations system and tracker was installed.

The plastic bag initiative: During the review period, draft Plastic Recycling and Pollution Control Strategy was developed; draft Regulations on Management and Use of Plastic Carrier and Flat Bags was developed; and surveillance at border points to control importation of the banned plastics into the Country was enhanced. Overall, the Country achieved 85 per cent reduction on the use of banned plastic carrier bags.

The Rehabilitation of Urban Rivers Project: A total of 207 encroaching structural developments were identified and marked for demolition while 67-point sources of pollution were identified and stopped along the Nairobi River. A total of 2.5km stretch from Museum hill to globe cinema was rehabilitated while maintenance of Michuki Park and the clean-up and beautification of Arboretum and Museum area were undertaken. Two sections encroaching structural developments along River Kisat in Kisumu City were identified and marked for demolition.

Promotion and piloting of green energy projects: Two clean energy innovations (Siaya Centre for Innovation Science and Technology and Magiro Mini Hydro) were incubated and commercialized; and Centre for Innovation Science and Technology based in Siaya County was supported to enhance production capacity to 600 litres of biofuel per month.

Forest Conservation and Management Programme: During the review period, forest cover increased from 7.24 per cent of the country's land area to 8.83 per cent in 2021. This area includes 2.59 million Ha of gazetted public forests which are all protected and conserved for their ecological, socio-cultural, educational, research and economic functions. The sector spearheaded countywide monthly tree planting campaigns through which a total of 196.8 million tree seedlings were planted. Additionally, a total of 50,887Ha of illegally occupied public forest land was reclaimed, and established a total of 71,636 Ha of commercial forest plantations. In addition, protected 588,393 Ha of degraded critical indigenous forest areas; restored 7,000 Ha of degraded mangrove ecosystems; and established 1,100 Ha of Bamboo Forest.

Figure 6.1: Environment and Forestry Cabinet Secretary Keriako Tobiko plant a tree with KDF officers at the Mau Forest



Forest Research and Development Project: To enhance forest research and development the sector produced a total 125,000 Kgs of high-quality tree seeds species; developed and disseminated 66 research technologies; increased tree source acreage by 95 Ha, and raised 287,500 materials of difficult to propagate indigenous tree species. The programme rehabilitated 3,600 Ha of Maasai-Mau water towers through aerial seeding and developed a method of managing three invasive species (Cestrum, Dodder and Ipomoea imbatata).

Wildlife Conservation and Management Project: During the period under review, wildlife corridors were secured through acquisition of 15,000 Ha of Laikipia National Park to establish a migratory corridor between Laikipia and Samburu Wildlife corridor eco-system; and 2,000 of land acquired from the Government for sheep and goat station in Kajiado. Response to human-wildlife conflict was enhanced, 99 per cent response for Problem Animal Control cases were reported; and a total of 230 Km electric fence along the parks and migratory corridors were constructed. Anti-poaching security surveillance equipment was acquired; rolled out the digital radio communication and earth ranger system; and rolled out genetic laboratory to support Wildlife crime prosecution. Towards enhancing species conservation, the national wildlife census was conducted in 2021.

The Water Resources Management Programme: During the period under review, 65 Sub-catchment Management Plans were developed/ reviewed. A total of 131 monitoring stations were rehabilitated and 67 water monitoring stations were upgraded to telemetry. A total of 17 national Water Quality reporting stations and 25 surface water stations and ground water monitoring stations were established. In addition, Isotope Hydrology Laboratory was established and operationalized, water quality to establish presence of aluminium residues in drinking water analyzed, and ground water mapping was finalized in Turkana, Marsabit and Wajir counties. Further, six Basin Management Plans were developed to guide the management of inter-county water resources and frameworks for protection and gazettement of water bodies and the sources for Dikdik, Ngarelen and Lake Kenyatta were developed.

Provision of water to poor unserved areas including informal settlements: A total of 15 water projects and 75 sanitation projects were implemented in urban areas benefiting an additional 132,390 people with water and 436,720 with sanitation services respectively. In rural areas, 151 water projects and 133 sanitation projects were implemented benefiting an additional 523,949 people with water and 69,773 with sanitation services respectively.

Trans-boundary Water Project: During the review period, bilateral frameworks on Sio-malaba-Malakisi River sub-basin and Lake Turkana River basin were implemented.

Water Harvesting and Storage Programme: Three large dams were under construction at various completion levels, Siyoi-Muruny dam in West Pokot at 61 per cent, Thwake dam in Makueni at 58 per cent, and Karemuni dam in Kiambu at 85 per cent; Mwache in Kwale, Bosto in Bomet, Ruiru II in Kiambu, Bunyunyu in Nyamira were at preliminary stages; and 581 small dams/pans with a total water storage capacity of 11.62 million m³ were constructed.

Urban Water Supply: Urban water supply coverage increased from 72 per cent in 2018/2019 to 74 per cent in 2020/2021 while National sanitation coverage increased from 70 per cent to 82.5 per cent over the same period. This increase in water coverage was achieved through completion of water schemes in major cities and expansion of water supplies in most of the medium size towns.

The Rural Water Supply: National Rural water supply coverage improved from 50.2 per cent in 2018/2019 to 61.5 per cent in 2020/2021. Construction of water supply in small towns of Wote, Masalani, Rumuruti, Chesikaki-Sirisia, Iten, Chwele, Kiruri, among others were completed; 278 schools were connected with borehole water and rain water harvesting structures (gutters and tanks), across the counties; and 456 strategic boreholes were drilled, rehabilitated and equipped.

Water Research Programme: The water resource centre at Kenya Water Institute was completed while Research financing framework was developed and disseminated.

Irrigation and drainage infrastructure: Area under irrigation increased from 484,000 acres in 2018 to 600,000 acres by 2021 which is about 31 per cent of the irrigation potential. The key priority projects implemented include: Mwea Irrigation Development Programme, National Expanded Irrigation Programme, Galana-Kulalu Food Security model farm which was at 94 per cent, Bura, Rwabura, Lower Kuja, Lower Sabor, Turkana Irrigation Development Project and Household Irrigation Water Harvesting Project and Community Based Irrigation Projects.

Figure 6.1: Thiba Dam



The Irrigation Water Storage Program: Under water harvesting for irrigation, 42,653,000 m³ volume of water storage reservoirs was achieved in 30 counties across the country, providing water for 42,000 acres under supplemental irrigation and benefiting 42,000 households in the ASAL area. Construction of 15 million m³ Thiba dam and irrigation infrastructure (94 per cent complete) under Mwea irrigation development project that will see the area increase from 25,000 to 35,000 acres and support production of a second crop.

Land reclamation: An estimated 15,200 Ha was reclaimed into productive lands in Turkana, Garissa, West Pokot, Baringo, Laikipia, Isiolo, Tana River, Kwale, Taita Taveta, Kajiado, Narok and Busia Counties.

Integrated Regional Development Programme: During the review period, 10 smallholder irrigation schemes were constructed (eight were complete, two were 80 per cent and 50 per cent complete) in Kieni; constructed schemes in Lower Murang'a (85 Ha) were 70 per cent complete, Lower Turkwel irrigation and Napuu II irrigation project complete; rehabilitated 15 kilometres of the Tana Delta Main Canal and Mitapani flood protection dykes, drilled 14 solar-powered boreholes, de-silted three water pans and constructed waterpans in Marsabit, Mandera, Garissa, Meru, Isiolo, Laikipia and Wajir; designed and constructed two collection and grading centres for gums and resins in Tarbaj and Buna - Wajir.

Irrigation infrastructure for three smallholders' irrigation schemes namely Boji, Challa and Chakama were developed leading to 200.8 hectares of land under irrigation. The fruit processing plant at Hola with processing capacity of 12,000 tonnes per year was integrated with water purification and bottling line of 2,000 litres per hour of purified water and was 85 per cent complete. Five djabias with the total of 492 m³ storage capacity at Manda Yawi (2), Maganga, Faza and Siyu in Lamu County were rehabilitated, and constructed and equipped two shallow boreholes of 1,300 litres per hour capacity in Tana Delta sub-county of Tana River County. Rehabilitation, drilling and equipping of 60 boreholes and water pans under the Drought Mitigation Programmes was completed.

Other Programmes and Projects

Sewerage programme: The access to improved sewerage services in urban areas increased from 26 per cent in 2018/2019 to 27.7 per cent in 2020/2021 due to completion of sewerage projects in Garissa, Narok, Kitui, Limuru, Oloitoktok, Kipevu, Maua, Siaya and Bondo. Further, last mile sewerage connectivity for already completed projects led to connection of 52,133 additional households.

Green Technologies and Innovations Programme: Developed the fourth phase of the Green Innovations Award (GIA) which aims at identifying, recognizing and awarding best practices. National Environment Trust Fund awarded 21 outstanding projects, incubated nine green innovations and partnered with the Kenya National Innovation Agency (KENIA) to commercialize seven innovations.

Policy, Legal and Institutional Reforms

Policy Reforms

The following Policies/Strategies were developed:

- i) Draft Meteorology Policy and Draft Water Towers Management Policy
- ii) National Solid Waste Management Policy;
- iii) National Wildlife Conservation and Management Policy;
- iv) National Water Policy;
- v) National Irrigation Policy; and
- vi) Regional Development Authority Policy.

Legal Reforms

- i) Drafted Meteorology Bill and Draft National Solid Waste Management Bill;
- ii) Enacted regulations and guidelines to operationalize the Wildlife Act 2013;
- iii) Drafted National Irrigation Bill and Water Towers Management Bill; and
- iv) Developed regulations and guidelines to operationalize the Water Act 2016.

Institutional Reforms

- i) Operationalized National Water Harvesting and Storage Authority; and
- ii) Operationalized the Wildlife Research and Training Institute.

Emerging Issues and Challenges

- i) Loss of biodiversity in fragile ecosystems;
- ii) Increase in the intensity and frequency of extreme weather events;
- iii) Balancing between the need for rapid development and greenhouse gas emission reduction;
- iv) Increase of invasive species;
- v) Land use changes and associated fragmentation, degradation and loss of wildlife habitat and ecosystem;
- vi) Sophistication of poaching and illegal wildlife trade and trafficking; and
- vii) Human wildlife conflicts.

Lessons Learnt

- i) Multi Agency approach enhances compliance environmental conservation, waste management and pollution control.

Recommendations

- i) Enhance funding for Climate Change mitigation and adaptation measures.

6.4 Population, Urbanization and Housing

Overview

Population, Urbanization, and Housing Sector seeks to ensure a quality population with adequate and decent housing in a sustainable environment. The Sector prioritized policies, programmes and projects aimed at: reducing rapid population growth rate and Total Fertility Rate; increasing life expectancy; facilitating delivery of affordable housing; and improving the lives of people living in informal settlements during the Plan period.

Overall Sector Performance

Kenya's Population size increased from 38.8 million people in 2009 to 47.6 million people in 2019 representing an increase of 23 per cent. The urban population increased from 12 million in 2009 to 14.8 million in 2019 and the rural population grew from approximately 26 million in 2009 to 32.8 million in 2019.

The inter-censal growth rate declined from 2.9 per cent in the 2009 Population and Housing Census to 2.3 per cent in 2019. Total Fertility Rate declined from 3.8 children per woman in 2014 as per Kenya Demographic Households Survey, 2014 to 3.4 children per woman in 2019 while life expectancy improved from 61.4 years in 2014 to 67 years in 2019 as shown in Table 6.4. The achievement was attributed to increased advocacy and awareness creation programmes on population and development. During the period under review, a total of 3,952 housing units were constructed, while 946 Civil Servants were facilitated with home ownership through Civil Servants Housing Fund (CSHF) mortgage loans.

Table 6.4: Population, Urbanization and Housing Overall Performance for the Period 2018/2019 to 2020/2021

MTP III Outcome	Outcome Indicator	2018/2019		2019/2020		2020/2021	
		Target	Actual	Target	Actual	Target	Actual
Reduced population growth rate	Annual Population Growth rate	2.7	2.3	2.6	2.3	2.4	2.3
	Total Fertility Rate	3.8	3.4	3.7	3.4	3.6	3.4
	Life Expectancy at birth	61.9	67	62.0	67	62.7	67
Increased access to decent and affordable housing	No. of housing units constructed annually	91,000	1,332	102,000	1,250	102,000	1,370

Source: KPHC, 2019 and State Department for Housing and Urban Development, and KDHS

Flagship Programmes and Projects

Kenya Population and Housing Census 2019: The first digital population and housing census was conducted in 2019. The Census disaggregated data on intersex persons, albinism, refugees, the stateless, homeless families, outdoor sleepers and persons with disabilities. In addition, four Analytical reports on Population by County and Sub-county, Distribution of Population by Administrative Units, Distribution of Population by Age & Sex and Distribution of Population by Socio-Economic Characteristics were produced and disseminated.

Affordable Housing: A total of 44,865 housing units comprising 9,056 by government and 35,809 by the private sector were constructed. The government units include: 1,370 affordable housing units in Ngara, 863 civil servants housing units, 732 police & Prisons housing units, 462 social housing units in Mavoko, 540 ISSB technology housing units, 4,462 EPS technology housing units and 627 National Housing Corporation units. Construction of additional 3,599 housing units were at an average 48 per cent level of completion. In addition, the National Housing Development Fund (NHDF); Kenya Mortgage Refinance Company (KMRC); and the National Housing Management Information System (Boma Yangu Portal) were established. As at December 2021, a total of 324,309 people had been registered at Boma Yangu website <https://bomayangu.go.ke> and approximately Kshs. 1.5 billion voluntary contributions made.

Research and Development on Appropriate Building Materials and Technologies (ABMT): A total of 21 ABMT Centers were established in various Constituencies; and 9,900 artisans were trained on the use of ABMTs. In addition, 5,002 residential houses were built using ABMT; three block making machines manufactured locally; 500,000m² EPS panels produced; and 47 Enterprise Development Models established to promote use of ABMTs.

Physical and Social Infrastructure in Slums and Informal Settlements in Selected Urban Areas: Installed 82 high mast electric-powered security floodlights; upgraded 15.2Km access roads to Bitumen standards in the slum areas of Kiambu, Meru, Kitui, Kericho and West Pokot counties; Constructed Multipurpose social Halls, Ablution Blocks, and upgraded Water spring in Majengo slums in Meru. Further, additional 10 classrooms, office block, Ablution Block, a dormitory and administrative offices for Kiwanjani Primary School in Isiolo county, 10.5Km sewer line in Machakos and Kericho counties; and six markets in Kisumu, Nakuru, Kirinyaga, Bungoma and Kakamega counties were constructed.

Kenya Informal Settlement Improvement Project Phase II: Facilitated issuance of 25,000 title deeds in 80 informal settlements, installed 134 high mast security, and undertook 8,739 water lighting connections and 4,788 sewer connections. In addition, 98.2Km of settlement access roads to bitumen standards; 120Km foot paths; 109.8Km of drainage system; 2.4Km of water pipeline; 63Km of sewer pipeline; and 21 ablution blocks were constructed.

Buildings' Safety and Compliance: During the review period, 590 buildings were audited and inspected, 56 buildings were tested, and five buildings demolished.

Facilitation of 24 Hour Economy: Installed 1,050 streetlights and flood lights within Nairobi Metropolitan region and CCTV in Gikomba, Nairobi.

Integrated Urban Development Planning: Prepared 12 Integrated Urban Development Plans and 24 Integrated Strategic Urban Development Plans.

Urban Renewal Programmes: Completed construction of Gikomba market and prepared Eastlands Urban Renewal Plan.

Nairobi Metropolitan Services Improvement Project: Constructed 10 railway stations in Ruiru, Kahawa West, Githurai, Mwiki, Dandora, Kikuyu, Donholm, Pipeline, Embakasi Village and Athi River; 36.7Km urban bitumen access roads; 20.9Km of Non-Motorized Transport, seven modern markets in Mwariro, Karandini, Ngong, Kikuyu, Kihara, Ruiru and Juja; 42Km Juja-Thika trunk sewer; and 98.5Km of storm water drainage in Nairobi City, Mavoko, Ongata-Rongai and Thika. Further, two fire Stations in Waithaka and Kangundo road were rehabilitated, seven fire engines distributed, and 12 Transport Oriented Development Plans that integrate land use and transport were prepared.

Urban Storm Water Infrastructure: Constructed 4Km storm water drainage and associated works for Narok County, and 1.5Km storm water drainage and associated works in Kerugoya-Kutus town.

Other Programmes and Projects

Kenya Urban Support Programme: Established and strengthened the capacity of 59 Municipalities in 45 counties and disbursed a total of Kshs.2.25 billion as Urban Institutional Grant and Kshs.25.8 billion to Municipalities as Urban Development Grant.

Urban Mass Transport Infrastructure: Constructed 74Km of Kangundo-Tala-Kenol-Machakos-Konza Road, rehabilitated Kenol-Machakos Town-Katamani Link Road, developed BRT design framework, and BRT Bus Standards and Specifications.

Solid Waste Management Infrastructure: Mitubiri sanitary landfill in Murang'a County was at 85 per cent completion level.

Urban Disaster and Safety Management: Trained 147 firemen, rehabilitated two fire stations located at Tom Mboya Street and Industrial Area in Nairobi City County; procured three water bowsers, two backhoes and seven firefighting equipment.

Urban Social Infrastructure: Constructed 11 Economic Stimulus Programme Markets in Ishiara and Siakago in Embu, Muthithi in Murang'a, Bute in Wajir, Banisa in Mandera, Kirenga in Kiambu, Miruka in Nyamira, Majengo in Vihiga, Sigor in West Pokot, Kioto in Nakuru, and Ikutha in Kitui.

Population and Development Advocacy: Sensitized 103 Members of Parliament, 840 Members of County Assemblies and 495 National Government Administration officers on population and development. The advocacy programmes were geared towards mobilizing support, increasing knowledge and improving attitudes and practices on population programmes and activities.

Population and Development Research: Produced and disseminated three survey reports on Service Delivery Indicators, Kenya Health Facility Assessment, and Family Study in Kenya; and revised the Research Agenda on Population and Development.

Partnerships on Population and Development: Signed eight Memorandum of Understanding with various institutions including academia and research institutions, and strengthened partnerships with three development partners (UNFPA, PSRI and CHAI) to facilitate implementation of population and development programme/projects in the country.

Demographic Dividend Roadmap: Demographic Dividend roadmap was reviewed in the 2020/2021.

Policy, Legal and Institutional reforms

Policy Reforms

- i) Reviewed the Population Policy for Sustainable Development; and
- ii) Developed Population, Health and Environment Policy Guidelines.

Legal Reforms

- i) Drafted National Council for Population and Development Bill;
- ii) Reviewed Housing Bill 2016;
- iii) Drafted the Slum Upgrading and Prevention Bill 2020;
- iv) Enacted Building Surveyors Act 2018;
- v) Drafted regulations for Urban Areas and Cities Act, 2011 (Amended 2019); and
- vi) Drafted the Landlord and Tenant Bill.

Institutional Reforms

- i) Established National Housing Development Fund.

Emerging Issues and Challenges

- i) Inadequate access to housing finance;
- ii) High cost of serviced land and building materials for housing development;
- iii) Weak legal framework to support the operationalization and management of Metropolitan Regions;
- iv) Persistent socio-cultural barriers, myths and misconceptions regarding family planning and reproductive health issues that encourage child marriages and FGM; and
- v) Inequalities in access to reproductive health services and family planning.

Recommendations

- i) Enhance capacity of the housing technology centres to increase access to decent housing by promoting location specific building materials and low cost housing;
- ii) Increase advocacy and awareness creation on population and development issues; and
- iii) Strengthen Kenya Mortgage Refinancing Company (KMRC) to enhance affordability of mortgages.

6.5 Gender, Youth and Vulnerable Groups

Overview

Gender, Youth and Vulnerable Groups Sector seeks to ensure equity in access, control and participation in resource distribution for improved livelihoods of women, youth and vulnerable groups. During the Plan period the Sector focused on promotion of gender equality; and empowerment of youth, women and vulnerable groups towards realization of human rights and sustainable development.

Overall Sector Performance

On promotion of gender equality and empowerment of all women and girls, the proportion of legislative seats held by women as a percent of the total representation in the National and County assemblies was 21.7 per cent and 33.9 per cent in 2018 respectively. The gender gap as measured by the gender gap index dropped marginally from 0.7 in 2018/2019 to 0.692 in 2020/2021. Over the same period, the prevalence of gender-based violence measured by the percent of women of age 15-49 who have experienced physical violence since age 15 remained constant at 45 per cent, while the percentage of girls and women aged 15-49 who have undergone FGM decreased from 21 per cent in 2018/2019 to 14 per cent in 2020/2021. The proportion of vulnerable population covered by the social protection

systems remained constant at 13.7 percent over the review period which was way below the targeted proportions of 35 per cent, 40 per cent, and 52 per cent in 2018/2019, 2019/2020, and 2020/2021 respectively. The proportion of National Safety Net beneficiaries enrolled in NHIF cover was 2.8 per cent in 2018/2019 which improved to 8.3 per cent in 2019/2020 but dropped to 2.8 per cent in 2020/2021 as shown in Table 6.5.

Table 6.5: Gender, Youth and Vulnerable Groups Overall Performance for the Period 2018/2019 to 2020/2021

MTP III Outcome	Outcome Indicator	2018/2019		2019/2020		2020/2021	
		Target	Actual	Target	Actual	Target	Actual
Reduced gender disparities	Gender Gap Index	0.701	0.7	0.708	0.671	0.7156	0.692
	Proportion seats held by women in the National parliament(N) and County government(C)	21(N) 34(C)	21.7(N) 33.9(C)	-	21.8(N) 31.6(C)	33.3(N) 34 (C)	21.8(N) 33.6(C)
Reduced Prevalence of Gender Based Violence	per cent of women of age 15-49 who have experienced physical violence since age 15	43	45	-	45	41	45
Reduced Prevalence of FGM	per cent of girls and women age 15-49 who have undergone FGM.	16	21	-	14	21	14
Improved well-being of vulnerable groups	Proportion of vulnerable population covered by social protection systems	35	13.7	40	13.7	52	13.7
	Proportion of National Safety Net beneficiaries enrolled in NHIF Cover	19	2.8	28	8.3	38	2.8

Source: State Department for Gender, State Department for Social Protection, Senior Citizens Affairs and Special Programmes

Flagship Programmes and Projects

Affirmative Action Funds

Women Enterprise Fund: Over the review period a total of Kshs.14.2 billion was disbursed against a target of Kshs. 14.8 billion. The Fund disbursed Kshs.3.1 billion in 2018/2019, Kshs.2.8 billion in

2019/2020, and Kshs.3.3 billion in 2020/2021 supporting a total of 1,072,493 beneficiaries comprising 56,077 women groups. Additionally, 613,229 women were trained on entrepreneurship skills.

Uwezo Fund: During the review period, the Fund disbursed a total of Kshs.1.938 billion as loans to 19,757 youth, women and persons with disabilities groups with a total membership of 247,670 persons.

National Government Affirmative Action Fund (NGAAF): The Fund disbursed a total of Kshs. 8.515 billion over the review period to 156,043 needy students through bursaries. Further, the Fund supported 14,349 groups for Women Economic Empowerment that benefitted 1,013,710 individual members.

Youth Enterprise Development Fund (YEDF): During the review period, a total of Kshs.1.4 billion was disbursed to youth enterprises for business start-ups and expansions benefitting 106,156 youth. Further, 208,424 youth were trained on entrepreneurship and life skills while 3,014 youth were facilitated to market their products and services. Additionally, 3,506 youth were provided and facilitated to access affordable trading spaces and business incubation/innovation services.

Prevention and Response to Gender Based Violence: During the review period, three one-stop gender-based violence recovery centres were established at Moi Teaching and Referral Centre in Eldoret, Coast General Hospital in Mombasa, and Kenyatta National Hospital in Nairobi. Gender-Based Violence Information Management System was developed and National Guidelines for the establishment of gender-based recovery centres were disseminated.

The national monitoring framework for the prevention and response to GBV was developed to enable Government and other stakeholders to provide services to GBV survivors. A total of 1,000 survivors of GBV were supported through referral for medication and counselling. To enhance GBV policies at County levels, the Government developed and disseminated the Model County Legislative and Policy Framework on Sexual and Gender Based Violence (SGBV) which enabled nine counties to domesticate Sexual and Gender Based Policies and laws.

To enable anonymous reporting on incidences of SGBV cases, toll-free hotlines, various online and mobile applications were established. In addition, multi-sectoral strategy branded, 'Policare model' was established to provide effective, efficient and practical one stop centre for the prevention and response to SGBV.

Eradication of Female Genital Mutilation (FGM): The National Policy for Eradication of FGM 2019 was developed which facilitated establishment of County Anti-FGM steering committees in 22 hot spot counties. Trained duty bearers (chiefs, sub-chiefs, religious leaders, police, *Nyumba Kumi* and medical practitioners) on prevention and eradication of FGM, and sensitized over 50,000 persons on the dangers and adverse effects of FGM, and the existing policy and legal framework. A standard operating procedure manual and rapid reference guide was developed on prosecution of FGM cases.

Gender mainstreaming: To ensure compliance with the principles of equality and inclusion in the workplace, 104 MDAs were facilitated to align their workplace policies, action plans and activities to basic requirements of gender mainstreaming. Assessment of 292 public and private institutions on compliance with the integration of the principles of equality and inclusion in policies, laws, and administrative regulations was undertaken. In addition, over 34, 600 women and men were sensitized on matters of gender equality, policies and legislations.

Women in Leadership and Decision Making: To increase the participation and representation of women in leadership the following strategies were undertaken: National Curriculum on Women's Leadership was developed; Trailblazers Programme that recognizes women achievers in different fields was introduced; women mentorship programme developed; and reviewed several laws and bills including the election policies and laws. In the Judiciary, the two-thirds gender rule was achieved with women representation of 42 per cent of supreme court judges and 60 per cent of court of appeal judges being women.

National Safety Net (Inua Jamii): Bi-monthly Cash transfers were provided to 757,744 poor and vulnerable older persons under the Inua Jamii Cash Transfer Programme. Cash transfers to households with Orphans and Vulnerable Children (OVC) were provided to 275,767 households under the Consolidated Cash Transfer Programme. Additionally, 34,294 households with PWDs were supported with cash transfers.

Disability Mainstreaming: During the period under review, 13,623 PWDs received assistive devices while 11,455 PWDs received bursaries, 869 self-help groups were supported with grants for economic empowerment, and 115 PWDs-owned businesses were issued with LPO Financing. In addition, 3,082 Persons with Albinism were provided with sunscreen lotions to protect them from skin cancer.

Child Community Support Services: A total of 22,300 OVCs received education scholarships through the Presidential Bursary Fund to support policy on 100 per cent enrollment, retention and completion. A total of 148,342 children in need of care and protection were assisted through the 116 toll-free child line, 37,260 children were reintegrated into communities and 1,062,300 provided with psychosocial support. The number of children placed under local adoption increased from 147 in 2018/2019 to 666 in 2020/2021 while 778 children were placed on foster care.

Youth Empowerment Centres (YECs): A total of 22 Youth Empowerment Centres were established and operationalized against a target of 47.

Kenya Youth Employment and Opportunities Programme: During the period under review, 68,493 benefitted from life skills, core business skills and job specific skills. The retention rate of the youth attached to master craftsmen stood at 65 per cent. A total of 500 business plans were awarded grants of Kshs.900,000 while 250 business plans were awarded Kshs.3.6 million.

Youth Cohesion, National Values and Social Development: A total of 49,350 youth were engaged in leadership and governance initiatives.

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

Other Programmes and Projects

Community Mobilization, Development and Empowerment: During the review period, 202,500 Self Help Groups and Community Based Organizations were trained and registered and 180,000 Community groups linked with service providers for financial and technical support. Training manual on community development was operationalized, and three Community Capacity Support centres (Mbooni, Ahero and

Kigumo) were converted into community training resource centres, and Kirinyaga rescue centre for neglected, abused and abandoned older persons operationalized.

Child Care Protection and Rehabilitation Programme: A total of 7,508 children were trained in various skills through children rehabilitation schools and 24,005 rescued children were provided with referral services. The National Assistance Trust Fund for victims of trafficking in persons was operationalized.

Special Programmes for Promotion of Social Economic Development: The national census of street families was undertaken in 2018 and revealed that the total number of street connected persons in Kenya was 46,639, spread in all the urban centres. Land for establishment of a model street families' rehabilitation center in Mavoko, Machakos County was acquired.

Policy, Legal and Institutional Reforms

- i) Formulated the National Policy for Eradication of FGM 2019;
- ii) Developed National Policy on Gender and Development 2019;
- iii) Amended Property and Succession Act through the Law of Succession (Amendment) Act, 2021;
- iv) Reviewed Matrimonial Properties Act (2013) in 2021;
- v) Reviewed Protection Against Domestic Violence Act (2015) in 2021; and
- vi) Reviewed Children Act 2001 and Persons with Disability Act 2003.

Emerging Issues and Challenges

- i) Inadequate statistics on gender issues and vulnerable groups;
- ii) Increased gender-based violence during the COVID-19 pandemic;
- iii) Neglect and concealment of persons with disabilities and discrimination of vulnerable groups; and
- iv) The rising number of dysfunctional families and parental child neglect in society.

Recommendations

- i) Establishment of a government run shelter house for victims of trafficking and rescue home for the older persons;
- ii) Need for an integrated data management system on gender issues and vulnerable groups;
- iii) Enhance awareness on online child exploitation; and
- iv) Enhance advocacy and awareness on rights and potential of vulnerable groups.

6.6 Sports, Culture and the Arts

Overview

Sports, Culture and the Arts Sector play a crucial role in overall national development especially in the preservation of the national heritage and promotion of the country's global visibility through sports. The Sector seeks to promote sports, national heritage, and culture as well as talents in music and arts. It also aims at upscaling development of Kenya's film industry while promoting a reading culture and research through management of libraries and protection of all historical sites and records.

Overall Sector Performance

To improve participation in sports activities, 67 teams were presented were presented in sports championships in 2018/2019 against a target of 60. However, in 2019/2020 and 2020/2021 the number reduced to 44 and 46 teams respectively as a result of negative effects of COVID-19 pandemic. A total of

20 International sports competitions were hosted against a target of 37 during the review period. In addition, the number of youths recruited in sports increased from 1,850 in the year 2018/2019 to 2,665 in the year 2019/2020 before declining to 1,875 in 2020/21 as shown in Table 6.6. The number of Cultural events held over the review period stood at 49 against a target of 54 while the number of heritage sites preserved were eight against a target of 15.

Table 6.6: Sports, Culture and the Arts Overall Performance for the Period 2018/2019 to 2020/2021

MTP III Outcome	Outcome Indicator	2018/2019		2019/2020		2020/2021	
		Target	Actual	Target	Actual	Target	Actual
Improved participation in sports activities	No. of teams presented in sports championships	60	67	65	44	70	46
	No. of international sports competitions hosted	10	5	12	6	15	9
	No. of youth recruited in various sports disciplines	1000	1850	2000	2665	2500	1875
Preserved national heritage and culture	No. of cultural events held	15	19	17	26	18	4
	No. of national heritage sites preserved	4	4	5	1	6	3
Increased access to library and information	No. of persons with access to libraries and information	15,685,816	11,565,482	16,185,816	6,900,000	16,685,816	4,080,090

Source: Ministry of Sports, Culture and Heritage

Flagship Programmes and Projects

Build and Rehabilitate Sports Stadia: During the review period, the following were achieved: constructed four national stadia; upgraded Nyayo and Kinoru stadia to international standards; while upgrading of seven regional stadia were at various levels of completion (Chuka - 95%, Kipchoge Keino - 77%, Marsabit - 80%, Ruring'u - 80%, Wote - 65%, Karatu - 47% and Kamariny - 44%).

Kenya Academy of Sports: Construction of Phase 1 and phase II of the Academy were at 98 per cent completion level. Phase 1 included a seven-storey hostel building, five playgrounds (two basketball courts, two football pitches and one rugby pitch). A total of 5,000 talented youth and 1,000 sports technical personnel were trained.

The National Sports Lottery: Enactment of the Public Finance Management (Sports, Arts & Social Development Fund) Regulation, 2018 created the Sports, Arts & Social Development Fund.

Anti-doping Promotion Programme: During the review period, 42,693 persons were sensitized against doping while 3,887 intelligence-based tests were carried out. The Anti-Doping Agency of Kenya also facilitated the successful prosecution of 72 athletes in various Anti-Doping Rule violations as a result of the intelligence based doping tests.

National Library of Kenya: The ultra-modern national library also known as '*Maktaba Kuu*' located at Upper Hill in Nairobi was completed with the objective of increasing access to information and knowledge for empowerment to all Kenyans.

Other Programmes and Projects

Sports promotion

- **Increase access to Sports Registrar's Services:** During the review period, the Sector arbitrated 335 and handled 50 court cases and disputes arising from registration of sports organizations; improved compliance with existing national and international sports legal instruments by registering 526 sports organizations, 118 sports professionals and eight professional sports bodies; Inspected three sports organizations; and observed 38 sports organizations elections.

Library Services

- **Establish modalities for Presidential Libraries:** The first Presidential Archives and Library in Kenya at Ichaweri – Kiambu County was gazetted to house records, archives, gifts and other unique materials for the first president of the republic of Kenya His Excellence Mzee Jomo Kenyatta.
- **Automation and Development of a Digital Library Network:** An Integrated Library Management Information System was installed together with a Digital Library Repository for government libraries. The system is meant to increase efficiency in the management of library services and allow prospective users to have access to the holdings in the libraries.

National Heritage

- **100 Best Monuments:** During the review period, the following seven monuments were identified and rehabilitated, Vasco Da Gama Pillar, Fort Jesus Sea wall, Lokitaung- Kenyatta Houses, Jaramogi Oginga Odinga Memorial, Tom Mboya Mausoleum, Dedan Kimathi statue, and Tom Mboya Statue.
- **Formation of a National Heroes Council:** During the review period, the National Heroes Council was formed to address the issues related to heroes and heroines in the country. In addition, the sector honored 400 heroes and heroines countrywide.

Performing Arts, Music and Culture

- **Documentation, Preservation and Dissemination of Music and dance Heritage of Kenya:** Documented 1800 music and dance heritage materials for reference and posterity of Kenyan Music and Culture.
- **Promotion of Talent in Music and Dance:** Trained 1,160 talented youth in music and dance to enable them make a living out of their talents. Supported 1,100 artists through a work for-pay stimulus program.
- **Empowerment of Artists and Cultural Practitioners:** Empowered 5,903 cultural practitioners through training, exhibitions and shows, residencies and registrations, and 1,842 visual and performing artists from all regions through a government stimulus programme to mitigate effects of COVID 19.
- **Implementation of UNESCO 2003 and 2005 Conventions:** Implemented safeguarding measures for the three male rites of passage (*eunoto*, *enkipaata* and *olngesherr*) of the Maasai, Intangible Cultural

Heritage of the Kaya forests of the Mijikenda communities; and documented the oral traditions and practices associated with the *Mukurwe wa Nyagathanga* site in Murang'a.

Public Records Management:

- **Integrated Public Records and Information Management System (IRMS):** Upgraded and operationalized IRMS to reform, modernize and improve records and information management for good governance.
- **Improvement of National Archives:** National Archives acquired 768, 821 public records for preservation which included historical records for the First President of the Republic of Kenya repatriated from USA, UK and Russia. A total of 698,000 public records digitized, 120,000 records transferred to Archives; digitized 4.5 million archival materials, microfilmed 68,340 documents, and acquired and repaired 44,000 records of enduring value.

Policy, Legal and Institutional Reforms

- i) Developed the National Policy on Libraries;
- ii) Developed a draft Bill on Libraries;
- iii) Reviewed the Public Archives and Documentation Service Act Cap.19; and
- iv) Restructured the Office of Registrar of Sports.

Emerging Issues and Challenges

- i) Non - automation of Sports Registrar's Records;
- ii) Increased cases of doping as well as technological advancement in the use of prohibited substances;
- iii) Lack of a World Anti-Doping Agency accredited laboratory in Kenya;
- iv) Inadequate storage facilities and equipment for the archives;
- v) Inadequate mechanism for talent identification, nurturing and promotion;
- vi) Inadequate infrastructure which meet international standards for training and hosting major international sports events; and
- vii) Gender violence against women in sports- which include sexual exploitation of women athletes.

Recommendations

- i) Enhance awareness on anti-doping; and
- ii) Revise the Sports, Arts and Social Development Fund regulation to bring on board the National Sports Lottery.

7.0 POLITICAL PILLAR

Overview

The Political Pillar of the Kenya Vision 2030 envisaged a democratic political system that is issue-based, people-centred, result-oriented and accountable to the public. Kenya has made enormous strides in advancing devolution, promoting public participation in policy-making, and in strengthening the three arms of government: The Executive, Judiciary and Legislature

MTP III targeted to strengthen governance at all levels of government, ensure that elections are free and fair, modernize the criminal justice system, and improve Kenya's ranking in governance at political and financial levels. It also focuses on strengthening collaboration between National Government and County Governments through enhanced financial support and capacity building.

7.1 Devolution

Overview

Devolution Sector aimed developing policies and legislations that effectively support inclusion, good governance, equity and efficient service delivery at the county level. The Sector focused on: enactments and enforcement of supportive legislations; strengthening of governance institutions; planning and budgeting to ensure adequate resource allocation and management; and enhancement of human and technical capacities at national and county levels.

Overall Sector Performance

During the review period, the proportion of Intergovernmental conflicts resolved through the Alternative Dispute Resolution Mechanism (ADRM) was 100 per cent, while the number of inter-governmental consultative sectoral forums operationalized increased from four in 2018/2019 to 17 in 2019/2020 but decreased to four in 2020/2021. In addition, all 47 counties implemented civic education and public participation forums and the number of institutions implementing National Capacity Building Framework (NCBF) increased from five in 2018/2019 to 52 in 2020/2021 (47 counties and 5 institutions) as shown in Table 7.1.

Table 7.1: Devolution Overall Performance for the Period 2018/2019 to 2020/2021

MTP III Outcome	Outcome Indicator	2018/2019		2019/2020		2020/2021	
		Target	Actual	Target	Actual	Target	Actual
Enhanced intergovernmental relations	Proportion of Intergovernmental conflicts resolved through the Alternative Dispute Resolution Mechanism	-	-	100	100	100	100

MTP III Outcome	Outcome Indicator	2018/2019		2019/2020		2020/2021	
		Target	Actual	Target	Actual	Target	Actual
	No. of Inter-governmental consultative sectoral forums operationalized	5	4	10	17	17	4
Strengthened capacity for implementation of Devolution	No. of counties implementing Civic education and public participation forums	47	47	47	47	47	47
	No of institutions implementing NCBF	5	5	10	47	15	52
Strengthened policy and legal framework for Devolution	No. of policies and laws	1	1	1	1	1	1

Source: Ministry of Devolution and ASAL

Programmes and Projects

Devolution Policies and Legal Reviews: During the review period, several policies and legal reviews were undertaken to strengthen devolution and political governance. These include: Regional Economic Blocs Policy; County Governments Act (2012) and the Intergovernmental Act (2012) and respective regulations; Regulations on Alternative Dispute Resolution (ADR) mechanism on Intergovernmental Disputes; and Regulations on Establishment of Intergovernmental Units in National and County Governments.

Capacity Building and Technical Support for Implementation of Devolution: During the review period, the sector revised the National Capacity-Building Framework to cover all devolved functions, administrative and legislative functions of the County Governments. It also developed and implemented capacity building support programs to Counties through Kenya Devolution Support Programme (KDSP) and Instrument for Devolution Advice Support Programme. In addition, *Maarifa Centre* was established to manage knowledge and provide avenues for learning at the institutional level and at the County level. A civic education manual known as *Jukumu Langu* was published with the aim of building the capacity of the citizens as rights holders as well as increase the institutional framework for civic education in the Counties. A total of 22 counties were sensitized on the provisions of the *Jukumu Langu* manual in order to implement a robust program of informing citizens.

Planning, Budgeting, Financial Management and Resource Mobilization: During the period under review, all county governments developed and implemented the County Integrated Development Plans (CIDPs) which sets county priority programmes and projects to be implemented during the Plan period. In addition, County guidelines for preparation of *Mwananchi* Budget were developed in 2019 to increase county preparation and publishing of citizen budget as required in section 131 (6) of the Public Finance Act. Further, Revenue Allocation Formula was reviewed in order to improve equitable share of revenue between the two levels of government.

Intergovernmental Relations and Structures: Contentious areas in the unbundling of devolved functions and mandates were either resolved or appropriate intergovernmental forums and modalities set up for resolutions. In urban planning and management, a number of urban areas and cities were initiated and management Boards established.

Development of Industrial Clusters and Products: A total of 15 county governments were supported to establish value addition local economic development projects. This was in realization of One-County-One-Product Initiative which aimed at establishing value addition industries using local resources. Examples of these projects includes: Makueni Food processing (Mango and Milk); Abattoir in Marsabit; Fish processing in Turkana; and Dairy farm in Kisumu.

Policy, Legal and Institutional Reforms

- i) Developed National Policy to Support Enhancement of County Governments Own Source Revenue;
- ii) Developed Policy on the Criteria for Identifying Marginalized Areas and Sharing of the Equalization Fund;
- iii) Reviewed County Government Act, 2012;
- iv) Reviewed Intergovernmental Relations Act, 2012 and respective regulations; and
- v) Amended Urban Areas and Cities Act, 2011.

Emerging Issues and Challenges

- i) Ineffective own source revenue management system in the counties;
- ii) Underutilization of external funding financing option by counties;
- iii) Low public awareness on national and county government functions coupled with weak civic education systems; and
- iv) Lack of a comprehensive national government policy on ADR.

Lessons Learnt

- i) Improved Intergovernmental relations and structures will realise meaningful benefits of devolutions.

Recommendations

- i) Strengthen public participation and civic education to the lower levels of devolution; and
- ii) Enhance continuous capacity building and technical support to counties.

7.2 Governance and the Rule of Law

Overview

Governance and the Rule of Law Sector aims at ensuring an effective, accountable and ethical leadership; and promotion of a just, democratic society in line with the Constitution and laws of the country. The Sector intends to provide a secure environment and strong governance institutions that will propel citizens to full attainment of stable and sustainable socio-economic and political development. During the Plan Period, the Sector focused on facilitating development and passage of necessary legal framework for implementation of the national development agenda; and enhancing access to and expedite delivery of justice to all.

Overall Sector Performance

The judges to population ratio was 1:317,095 in 2020/2021 compared to 1:302,957 in 2018/2019. A total of seven Appeal judges, nine Employment & Labour Relations Court judges, and 18 Environment and Land Court judges were appointed during the period under review. The magistrates to population ratio improved from 1:92,899 in 2018/2019 to 1:90,426 in 2020/2021 following recruitment of additional magistrates.

Case clearance rate was 97 per cent, 86 per cent and 83 per cent in 2018/2019, 2019/2020 and 2020/2021 respectively against an annual target of 110 per cent. Clearance of reported cases was affected by shortage of judges and judicial officers and scaling down of operations due to COVID-19 pandemic. Legal aid was rolled out in five counties in 2020/2021 while the number of vulnerable persons accessing aid were increased from 15,294 in 2018/2019 to 16,234 in 2020/2021. Court Annexed Mediation (CAM) was operational in 50 court stations comprising 16 High Court stations, five Employment and Labour Relations Court stations, 12 Environment and Land Court stations, and 17 Magistrate Court stations by 2020/2021 as shown in Table 7.2.

Table 7.2: Governance and the Rule of Law Overall Performance for the Period 2018/2019 to 2020/2021

MTP III Outcome	Outcome Indicator	2018/2019		2019/2020		2020/2021	
		Target	Actual	Target	Actual	Target	Actual
Enhanced access to justice/legal services	Judges to population ratio	1:295,792	1:302,957	1:295,792	1:306,866	1:295,792	1:317,095
	Magistrates to Population Ratio	1:68,840	1:92,899	1:68,840	1:90,255	1:68,840	1:90,426
	Case Clearance Rate (per cent)	110	97	110	86	110	83
	Number of Counties where legal aid is rolled out	7	0	10	0	14	5
	Number of Vulnerable Persons Accessing Legal Aid	20,000	15,294	30,000	-	40,000	16,234
Courts Established (high courts; magistrates Courts and small claims court	Number of High Courts Established	-	-	3	0	2	2
	Number of Magistrate Courts Established	-	-	41	2	41	20
	Number of Mobile/circuit Courts Established	-	-	4	5	4	6
	Number of Courts Constructed	-	-	23	14	40	13
	Number of Courts with an Operational Mediation Annex	5	-	5	23	10	27

MTP III Outcome	Outcome Indicator	2018/2019		2019/2020		2020/2021	
		Target	Actual	Target	Actual	Target	Actual
	Percentage of Courts with an automated case Management system	20	-	40	47	60	100
Online knowledge management system developed	Proportion of online knowledge management systems developed	-	-	50	0	50	0
Legal resource centre established	Per centage of legal resource centre established	-	-	50	0	50	0
Bill of Rights implemented	Report on the implementation of the Bill of Rights	1	0	1	2	1	1
	No of Government officials trained on the Bill of Rights	300	0	350	100	400	100
Legal education and training	Per centage level of the National policy on legal education and training developed and implemented	30	10	30	10	20	0
	Percentage of students trained on revised advocates training curriculum	5	79	25	75	50	78
	Percentage completion level of the well-equipped library	28	38	30	65	85	83
Improved business processes in provision of legal service	Percentage level of competency capacity Development of legal staff	15	15	15	26	20	20

Source: Judicial Service Commission, State Law Office and Department of Justice

Flagship Programmes and Projects

Implementation of Constitution and Legal Reforms: A total of 33 bills were drafted and harmonized with the Constitution, 37 other prioritized Bills were reviewed, and 47 pieces of rules and regulations on Constitution implementation drafted.

Leadership, Ethics and Integrity: The whistle-blower protection mechanism was developed; a task force report for Legal, Policy and Institutional Framework for fighting corruption was implemented by each member agency; and a Multi-Agency Team Framework was established to provide a platform for collaboration, cooperation, coordination and information sharing among law enforcement agencies to fight corruption, economic and organised crimes.

The Assets Recovery Agency investigated suspected proceeds of crime valued at approximately Kshs.6.8 billion while recovery of suspected proceeds of crime under preservation and forfeiture proceedings was valued at approximately Kshs.1.73 billion and cash forfeited to the state amounted to Kshs.266.82 million. County Anti-Corruption Civilian Oversight Committees were established in Nyandarua, Machakos, Turkana, Bomet, Siaya, and Homabay Counties.

National Cohesion and Integration: The Sector addressed hate-speech, ethnic contempt and incitement; and facilitated intra and inter-ethnic peace building, dialogue and mediation meetings and forums. In addition, sensitization forums for the members of the National Assembly and the Senate were conducted to enhance their knowledge on the National Cohesion and Integration Commission Act, especially the offence of hate speech. Members of the public in the 47 counties were sensitized on the offence of hate speech through Radio, TV and community outreach forums.

The Sector enhanced engagement with the security sector including the Nyumba Kumi Initiative, Local Administrators, and County Security teams that promotes the values of good governance and the rule of law; and strengthened peacebuilding, national values and cultural systems in institutions of learning where it rolled out *Amani* (Peace) Club curriculum in more than 200 schools targeting over 500,000 students/pupils and 1,000 teachers.

Legal Aid and Awareness Programme: Legal aid was rolled out in Nairobi, Mombasa, Kisumu, Uasin Gishu and Nakuru Counties; regional Legal Aid Networks in East Africa, and the East and horn of Africa were established; and free legal aid was provided to 51,754 minority and vulnerable indigents. In addition, awareness creation was undertaken through radio talk shows to a total listenership of 3,689,666.

Judicial Transformation: The judicial processes were digitized, office of the Judiciary Ombudsman restructured, and performance management and measurement rolled out in the Judiciary. Specific initiatives undertaken included: establishment of two High Court stations, 24 Environment and Land Courts, and 11 new mobile magistrate courts; gazettment of 22 Magistrate Courts; and completed construction of 27 court buildings while an additional 21 courts were at an average 78 per cent level of completion.

Other initiatives included: strengthening of the human resource capacity through recruitment of additional judges, magistrates and other personnel; implementation of Alternative Justice Systems, Court Annexed Mediation and introduction of Small Claims Courts to expedite case resolution. In addition, the Case Management System was implemented in 128 courts, Court Recording and Transcription System was implemented in 32 Courtrooms, e-filing module of the system was

operationalized in all courts in Nairobi, including all *Kadhis* and Tribunals, and document management and digitization of court files was rolled out in 19 Court Stations. The reforms led to reduction of backlog for cases older than 5 years from over 170,000 in 2017/2018 to about 34,000 in 2021/2022.

Strengthening the Criminal Justice System: Various committees and taskforces of the National Council on Administration of Justice were established and operationalized to address emerging issues in the criminal justice system. These include: Special Taskforce on Children Matters; National Criminal Justice Reform Committee; Sexual Offence Act Review Committee; Special Working Group on Traffic Matters; Anti-Corruption Working Group; and Bail and Bond Implementation Committee.

Table 7.3: Average Time Taken to Hear Criminal Case Per Court Level (days) for period 2018/2019 to 2020/21

Court	FY 2018/2019	FY 2019/2020	FY 2020/2021
Court of Appeal	1,218	960	1,142
High Court	522	901	455
Magistrates Courts	247	208	194

Source: Judicial Service Commission

Other Programmes and Projects

Implementation of the Bill of Rights: A total of 660 national and county government officials were trained on human rights obligations, prepared three periodic state reports on measures taken by Kenya to implement the Bill of Rights, and Human Rights Treaties that Kenya has ratified.

Strengthening Administrative Justice: During the review period, a Handbook on the Best Practices on Implementation of Access to Information in Kenya, a simplified version of the Access to Information Act, a Guide on Proactive Disclosure for Public Entities at National and County Government; Reporting Framework on Resolution of Public Complaints Indicator and Access to Information; and a Model County Law on Access to Information were developed. Further, a regional office in Nyahururu and two additional service delivery points/desks at Makueni and Taita Taveta Huduma Centers were established.

Legal Education: A total of 5,109 students were trained under the revised Advocates Training Programme curriculum. Construction of the Ultra-Modern Library and moot courts was at 83 per cent level completion. Kenya School of Law E-learning training portal was rolled out offering online classes from 2020/21 academic year.

Capacity Building: A total of 101 State Counsels were recruited while 202 State Counsels were trained during the period under review.

Political and Economic Governance

- **Electoral and political processes:** All disputes that came up on electoral boundaries and elections were resolved. Five offices and a warehouse for storing election materials were acquired and furnished. In order to address gaps in electoral laws, the Independent and Electoral Boundary Commission reviewed and submitted to the Parliament the following election laws and regulations: Draft referendum bill 2020; Draft referendum Regulation bill 2020; Draft election Campaign Financing (Amendment) Bill, 2020; Regulations on political party nominations; Election Act, 2017; and regulations for the Election Campaign Financing Act, 2013.

- **Economic Governance:** During the review period, Alternative Justice Systems, and Baseline Policy, and Alternative Justice Systems Framework Policy were developed. As a result, Court Annexed Mediation was prioritized; and Small Claims Court was operationalized to determine cases with a value of less than Kshs. one (1) million.

Through continuous automation and simplification of the Companies, Insolvency and Movable Property Registries, the time taken to register business was reduced to one day. In addition, the number of annual business registrations increased from 98,302 in 2018/2019 to 154, 236 in 2020/2021 while the annual revenue collection improved from Kshs.795.5 million in 2018/2019 to Kshs.1.1 billion in 2020/2021.

Policy, Legal and Institutional Reforms

- Developed Anti-Corruption Policy;
- Developed National Public Participation Policy; and
- Drafted Whistle-blower protection Bill.

Emerging Issues and Challenges

Emerging Issues

- Sophistication and evolving nature of crime;
- Complexity in tracing and recovery of virtual assets suspected to be proceeds of crime; and
- High uptake of the virtual courts due to COVID-19 pandemic containment measures.

Challenges

- Slow and lengthy judicial processes;
- Delayed completion of financial investigations and recovery of proceeds of crime; and
- Legal and diplomatic technicalities in executing mutual legal assistance in the identification, seizure, recovery and repatriation of proceeds of crime hidden in other jurisdictions.

Recommendations

- Effective interagency cooperation to be adopted in the fight against organized crime, economic crimes, money laundering and recovery of proceeds of crime;
- Fast track the process of legislative drafting and enactment of laws; and
- Leverage on technology to accelerate court proceedings.

8.0 THEMATIC AREAS

Overview

HIV and AIDS, climate change and disasters continue to be a major challenge to the achievement of national development aspirations and requires a multi-faceted approach to mitigate their impact. HIV and AIDS, impacts negatively on the productive capacity of the Kenyan labour force especially those between ages 15-35 years. Climate change impacts leads to loss of about 3 per cent of the Gross Domestic Product (GDP) annually while economic cost associated with floods and droughts creates an estimated long-term fiscal liability equivalent to 2 to 2.4 per cent of GDP each year.

8.1 HIV and AIDS

Overview

Vision 2030 envisages a country free of HIV infection, stigma and AIDS-related deaths by 2030. However, HIV and AIDS continues to be an impediment in the achievement of national development aspirations due to its negative impact on productive capacity of the labour force. During the Plan period, HIV and AIDS was mainstreamed in various programmes and projects across all sectors in order to address the epidemic.

Overall Sector Performance

HIV prevalence rate stood at 4.3 per cent in 2020/2021 compared to prevalence of 4.7 and 4.5 in 2018/2019 and 2019/2020 respectively. The decline in the rate was due to the increased access to Anti-Retroviral Therapy (ART) as well as enhanced behavior change. In addition, adult new infections decreased from 52,767 in 2018/2019 to 34,597 in 2019/2020 and further to 28,146 in 2020/2021 due to enhanced HIV and AIDS prevention and advocacy campaigns among the sexually active population.

A total of 1,199,101 people living with HIV and AIDS were on ART in 2020/2021 as compared to 1,175,010 and 1,192,171 in 2018/2019 and 2019/2020 respectively. The number of HIV and AIDS related deaths reduced to 19,486 in 2020/2021 from 23,902 and 21,000 in the 2018/2019 and 2019/2020 respectively. This was due to increased adherence to treatment among the Persons Living with HIV.

The percentage of child infections from HIV infected women delivering in the past 12 months' fell below the target during the review period due to challenges of access to antenatal care and ART adherence especially among expecting Adolescent and Young People. Despite those challenges the percentage reduced from 11.5 per cent in 2018/19 to 10.8 per cent in 2019/20 and further to 9.7 per cent in 2020/2021 as shown in Table 8.1.

Table 8.1: HIV and AIDS Overall Performance for the Period 2018/2019 to 2020/2021

MTP III Outcome	MTP III Outcome Indicator (s)	2018/2019		2019/2020		2020/2021	
		Target	Actual	Target	Actual	Target	Actual
Reduced HIV prevalence	National HIV prevalence rate (Disaggregated by sex)	4.7	4.7	4.6	4.5	4.5	4.3
Increased Access to HIV Treatment	Number of PLHIV on ARVs (Disaggregated by sex and age)	1.2	1,175,010	1.3M	1,192,171	1.4	1,199,101
	Annual Number of HIV related deaths	7,882	23,902	7,094	21,000	6,385	19,486
Reduced new HIV Infections	No. of new Adult HIV infections	49,680	52,767	39,744	34,597	31,100	28,146
	Percentage of child infections from HIV infected women delivering in the past 12 months.	6.7	11.5	5.5	10.8	4.1	9.7
Adolescent and Young People education centres established	Number of AYP Education Centers Established.	6	0	12	10	18	30

Source: National AIDS Control Council, 2020/2021 HIV Estimates

Flagship Programmes and Projects

Sustainability of the HIV Response towards Fast Tracking the Ending of AIDS: National AIDS Control Council (NACC) initiated engagements with NHIF to offer a minimum package of care to Persons Living with HIV. The package will cover outpatient: HIV Testing and Counseling, ART, Pre Exposure Prophylaxis, Post Exposure Prophylaxis and co-infections. A Health Financing Transition Roadmap (2022-2030) was developed focusing on programmes that are heavily funded by donors targeting HIV; TB; Malaria; FP/RH; Vaccines and Nutrition.

HIV Prevention: Prevention of Mother to Child Transmission coverage increased from 76 per cent in 2018 to 91 per cent in 2021. A total of 4.8 million women were offered HIV testing services, out of these 59,150 were identified to be living with HIV and 42,638 received DNA PCR Test. Youth-friendly health facilities and youth-desks within the Huduma centres were introduced leading to increased access to HIV information among the Adolescents and Young People in the Country. By the end of 2021, new HIV infections decreased to 11,229 for young adults aged between 15-24 years, 5,294 for 10-19 year olds, and 5,201 for children 0-14 years.

Universal Access to Treatment to Achieve 90-90-90 Targets: The number of HIV positive persons enrolled on ARVs were 1,210,800 during the review period. The progress made on the 90:90:90 coverage is shown in the Table 8.2.

Table 8.2: Performance on Achieving 90-90-90 Targets

Coverage Indicator for all Age Groups	Dec-2018	Dec-2019	Dec-2020	Dec-2021
1 st 90 – Identification (%)	73	76	81	94
2 nd 90 – Treatment (%)	73	75	81	83
3 rd 90 – Virally Suppressed (%)	64	69	75	85

Source: National AIDS Control Council

Promoting utilization of strategic information for research and monitoring and evaluation to enhance programming: NACC strengthened collection and generation of quality data sets for policy making from sources that include HIV Implementing Partners Reporting System; National Health Accounts; National AIDS Spending Assessment; Maisha digital; and Community Activity Programme Reporting. An integrated framework for real-time HIV and AIDS data capture for decision making namely Situation Room (Maisha Digital) was developed and operationalized and has promoted access to real time strategic data.

Other Programmes and projects

Develop a multi-sector strategy for National Non-Communicable Diseases (NCDs) prevention: The National Non-Communicable Diseases Strategic Plan 2021/22 - 2025/26 was developed. Different cadres of health workers were trained on management of diabetes, cardiovascular diseases, cancer and renal diseases. To enhance monitoring and evaluation, new NCD registers (MoH 740) were developed for diabetes and hypertension with an attendant patient file, daily and monthly register. An operational portal to map NCD partner activities and an NCD module were also developed. Taking cognizance of importance of a healthy diet in management of NCDs, the Kenya Nutrient Profile Model and Clinical Nutrition Indicators were developed.

Emerging Issues and Challenges

- i) Shortage of Antiretroviral Drugs (ARVs); and
- ii) Reduction in donor funding affecting some HIV support programs.

Lessons Learnt

- i) Efficiency in programming and integration of HIV activities with key comorbidities including Non-Communicable Diseases (NCDs) will result in reduction of operational costs.

Recommendations

- i) Integrate HIV with related comorbidities to enhance efficiencies in treatment;
- ii) Spearhead domestic financing models to cushion the HIV/AIDS programme which is heavily donor funded; and
- iii) Inclusion of HIV prevention health benefit package in the Universal Health Coverage.

8.2 Climate Change

Overview

Climate Change Thematic Area focused on enhancing adaptation and mitigation through afforestation and reforestation, climate-smart agriculture, clean energy development, and energy efficiency. During Plan period Climate Change actions were mainstreamed in programme and projects in all sectors of the economy at national and county levels to ensure sustainable development.

Overall performance

The slowdown in economic activities led to reduced Green House Gas (GHG) emission but the figure slightly increased due to rebased calculation methods. As a result, GHG Emission per year (CO₂eMt) were above target increasing from 96 in 2018/2019 to 97 in 2019/2020 and further to 98 in 2020/2021. The number of green jobs created improved from 90,000 in 2018 to 204,012 in 2019 but dropped to 180,000 in 2021 attributed to restrictions posed by COVID 19 pandemic. During the period, seven counties developed the GIS based spatial plans that integrate climate change.

Table 8.3: Climate Change Thematic Area Performance for the period between 2018/19 to 2020/21

MTP III Outcome	Outcome Indicator(s)	2018/2019		2019/2020		2020/2021	
		Target	Actual	Target	Actual	Target	Actual
Improved Social Inclusion and sustainable livelihoods	No. of green jobs created	200,000	90,000	200,000	204,012	200,000	180,000
	No of counties with GIS based spatial plans that integrate climate change and Disaster Risk Reduction	6	0	6	4	10	3
Reduced GHG Emissions	GHG Emission per year (CO ₂ eMt)	85	96	90	97	96	98

Programmes and Projects

Climate Change Governance and Coordination: A total 38 counties operationalized County Climate Change Funds, developed County Specific Climate Change Policies and set up County Climate Change Units. Similarly, a 10-year Financing Locally Led Climate Actions Programme was developed to address locally led climate response initiatives and strengthen sub-national institutional structures for climate action. Kenya's Nationally Determined Contribution to the United Nations Framework Convention on Climate Change was updated outlining Kenya's priority actions to achieve 32 per cent GHG emission reduction relative to the business-as-usual scenario of 143CO₂eMt in 2030. Four Regulations were developed pursuant to Climate Change Act (2016).

Formulation of Second National Climate Change Action Plan (2018-2022): Second National Climate Change Action Plan 2018-2022 developed and implemented.

Climate Change Monitoring, Reporting and Verification: National Measurement, Reporting and Verification (MRV) system for reporting GHG emissions, mitigation and adaptation actions across sectors was developed.

Capacity Building and Public Awareness: During the review period, National Government institutions capacities were strengthened to implement the Climate Change Act through training of staff of climate change units on reporting and climate finance; and training on the climate change-gender nexus. At the county levels, 29 Climate Change Units were strengthened; 34 county steering committees were established; climate change response and the engendered County Environment Committees gazetted; climate change risk assessments were carried out in 29 counties; and 16 county resource mobilization strategies developed.

Green Growth and Employment Programme: The objective of the programme was to enhance enabling environment for green growth and sustainable environment and natural resources management. To improved policy environment for private sector engagement in green growth and sustainable development: Nairobi City County Sustainable Waste Management Action Plan (2020-2022); Curricula and course development to Mainstream Green and Circular Economy in training through Kenya School of Government; Marmanet Water Tower Management Plan; Green Public Procurement Framework; and draft green fiscal incentives policy framework were developed. In addition, 47 Country Directors of Meteorology were trained on Downscaling, Participatory Scenario Planning (PSP) and dissemination of climate data to the beneficiaries; and 10 PSPs were conducted in selected counties.

Switch Africa Green (SAG) Project: SAG project was implemented with an aim of providing opportunities for the private sector to move to more resource-efficient, environmentally sound business practices that also increase profitability, create green jobs and reduce poverty.

Policy, Legal and Institutional Reforms

Policy Reforms

- i) Developed Sustainable Waste Management policy 2021;
- ii) Drafted Sustainable Waste Management Bill 2021; and
- iii) Developed regulations on Extended Producer Responsibility (EPR).

Legal Reforms

Four Regulations were developed pursuant to Climate Change Act (2016) namely;

- i) Measurement, Reporting and Verification (MRV);
- ii) Public Participation Consultations and Access to Climate Change Information;
- iii) Code of Conduct and Conduct for Doing Business for the National Climate Change Council and Staff; and
- iv) Climate Change Duties and Incentives.

Emerging Issues and Challenges

- i) Inadequate information about green technologies;
- ii) Increase in the intensity and frequency of extreme weather events;
- iii) Balancing between the need for rapid development and greenhouse gas emission reduction; and
- iv) Weak/inadequate climate change coordinating units in the reporting institutions.

Recommendations

- i) Strengthen the climate change units at both national and county levels.

8.3 Disaster Risk Management

Overview

Disaster Risk Management (DRM) Thematic Area seeks to promote effective management of natural and man-made hazards affecting an estimated 3 to 4 million people annually. Disaster Risk Management has therefore been mainstreamed in the Country's planning process to mitigate the effects of disaster and enhance community resilience for sustainable development.

Overall Sector Performance

During the review period, there was a decline in the number of deaths, missing persons and those affected by disaster from 255 per 100,000 people in 2018/2019 to 25 per 100,000 people in 2020/2021. The decrease is a result of increased use of Multi Hazard Early Warning Systems in all the 47 counties and enactment and implementation of Disaster Risk Management (DRM) legislative frameworks in 19 counties.

Table 8.4: Disaster Risk Management Overall Performance for the Period 2018/2019 to 2020/2021

MTP III Outcome	Outcome Indicator	2018/2019		2019/2020		2020/2021	
		Target	Actual	Target	Actual	Target	Actual
Improved community resilience to disasters	No. of deaths, missing persons and persons affected by disaster per 100,000 people	45	255	45	27	35	25
	No. of counties with multi-hazard early warning systems	7	7	14	16	19	47
	No. of counties that enact local disaster risk management legislative frameworks	5	0	5	15	5	4

Source: State Department for ASALs; National Disaster Risk Operation Center

Programmes and Projects

Disaster Risk Management Programme:

- **Develop an effective multi-hazard Early Warning System and preparedness:** The Sector rolled out Multi Hazard Early Warning Systems in all the 47 counties; and operationalized Emergency Operation Centres (EOC) in Nairobi, Kisumu, Kilifi and Baringo Counties.
- **Develop DRM information database and hazard and risk mapping in the country:** Developed Multi-Hazard risk profiles in Baringo, Garissa, Kwale, Kilifi, Tana River, Turkana, Laikipia, Marsabit, Samburu, Isiolo, Elgeyo-Marakwet, and West Pokot counties.
- **Capacity building and civic (formal and informal) education on DRM:** There was an increase in the number of higher learning institutions offering courses on DRM. Universities offering DRM Courses include; Masinde Muliro University of science and technology, Co-operative university of

Kenya, University of Nairobi, Kenyatta University, Maseno University, National Defense University of Kenya, and Kaimosi Friends University College.

- **Mainstreaming DRM in other sectors:** DRM was mainstreamed in County Integrated Development Plans.
- **Developing and Finalizing DRM Frameworks:** Developed DRM Policy 2018; County Emergency Operation Plans for eight counties; national DRM Action Plan 2019-2022; and updated the National Emergency Response Plan (NERP) 2009 to NERP 2020.
- **Development of a Comprehensive National Disaster Risk Financing Strategy:** Developed Disaster Risk Financing Strategy 2018-2022.

Policy, Legal and Institutional Reforms

- i) Developed National Disaster Risk Management Policy, 2020;
- ii) Developed Disaster Risk Management policies in six counties; and
- iii) Drafted DRM Bill no.28 of 2021.

Emerging Issues and Challenges

Emerging Issues

- i) Emergence of virulent strains such as (COVID- 19) and Antimicrobials Resistance (AMR) in both human, livestock and wildlife; and
- ii) Pests such as desert locust and fall army worms.

Challenges

- i) Inadequate Legislative and Policy Framework for Disaster Risk Management;
- ii) Inadequate human and technical capacity in DRM;
- iii) Weak and fragmented coordination on management and response to disaster; and
- iv) Increased number of occurrences and intensities in specific hazards such as floods and drought due to climate change.

Lessons learnt

- i) Strengthening emergency information management is critical in DRM.

Recommendations

- i) Embrace Disaster Risk Knowledge and early warning signs to enhance quick response to disasters;
- ii) Develop Legislative and Policy Framework for Disaster Risk Management to guide initiatives in both public and private sectors; and
- iii) Institutionalize Disaster risk management.

KEY CHALLENGES, MAIN LESSONS LEARNT AND GENERAL RECOMMENDATIONS

9.1 Key Challenges

- i) Negative effects of Covid-19 pandemic and the containment measures slowed down implementation of policies, programmes and projects across all sectors of the economy and the overall economic performance;
- ii) Weak linkages between policy formulation, planning and budgeting coupled with over-reliance on the exchequer for funding most programmes and projects;
- iii) The rising public debt has constrained fiscal space;
- iv) Slow pace of development, review and approval of policy, legal and institutional reforms identified in MTP III to support timely implementations of programmes and projects;
- v) Lengthy and costly land acquisition processes which slowed implementation of programmes and projects;
- vi) Increase in number of flagship programmes and projects due to lack of a framework for identification hampered prioritization of development initiatives; and
- vii) Inadequate innovation, research and development.

9.2 Main Lessons Learnt

The main lessons learned during the implementation include:

- i) Inadequate basic infrastructure facilities (roads, power, and water), delayed the implementation of SEZs and SMEs industrial parks programmes;
- ii) Mobilization of adequate resources, both internally and externally, is essential for successful implementation of the key programmes and projects;
- iii) Strengthening and promotion of Micro, Small and Medium Enterprises through investment in physical facilities and access to affordable credit facilities are key for their development;
- iv) Monitoring and evaluation enhances effective and efficient utilization of resources as well implementation programmes and projects;
- v) Creation of synergy through collaboration with stakeholders such as private sector, county governments and development partners in implementation of targeted priorities enhances efficiency in delivery of expected outcomes/outputs;
- vi) Large projects requiring huge capital investment especially flagship projects, needs financing from both local and international sources
- vii) Fast-tracking passage of facilitative policies and regulatory framework are critical for effective implementation of Programmes and Projects and to enable Sectors to attract international capital;
- viii) The COVID-19 pandemic presented an opportunity for all sectors, both public and private to embrace the digital and virtual learning and working, not just to cope with the pandemic but as a future global trend in service delivery.

9.3 General Recommendations

- i) Strengthen institutional and sectoral coordination mechanisms during policy formulation, planning, budgeting and implementation of programmes and projects;
- ii) Strengthen the monitoring and evaluation mechanisms to support coordinated and timely tracking of implementation of programmes and projects;
- iii) Sector priorities should be backed by realistic cost estimates and predetermined financing sources during the planning process to ensure planned programmes and projects are implemented as envisaged in their plans;
- iv) Strengthen the linkage between the national and county development planning;
- v) Enhance and strengthen use of quality and timely data to inform design of policies, programmes and projects and decision making;
- vi) Explore alternative financing mechanisms such as Public Private Partnership framework, green bonds, infrastructure bonds to mobilize additional resources for the implementation of programmes and projects;
- vii) Strengthen performance contracting service in public service and public institutions as a management tool to improve implementation of programmes and projects and generally the service delivery;
- viii) There is need to promote community involvement in all aspects of project identification, implementations and use for ownership, sustainability and to minimize litigations;
- ix) Strengthen and leverage on Technological Innovations(digitization) to increase efficiency in resource utilizations and productivity;
- x) Leverage on research and development for new knowledge and new ideas of development planning and to improvement efficiency of existing processes therefore improving competitive advantage;
- xi) Pursue fiscal consolidation to reduce the rising debt levels; and
- xii) Improve governance framework to facilitate prudent utilization of resources and enforce accountability at all levels.